



Daily Report

Central Eurasia

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Negotiations in Grozny

Lobov Rules Out Dudayev's Election Participation

LD0709112195 Moscow INTERFAX in English
1100 GMT 7 Sep 95

[FBIS Transcribed Text] GROZNY, Sept 7 (INTERFAX) — The Russian Security Council's Secretary Oleg Lobov, Yeltsin's special representative in Chechnya, rules out the possibility of Dzhokhar Dudayev's participation in local elections in Chechnya.

Meeting journalists in Grozny on Thursday, he declared, "As long as Dudayev is in this position, it is pointless to talk about his role in elections." As Lobov explained with reference to Russia's constitution, "persons against whom criminal proceedings have been started have no right to contest elections."

Meanwhile, an all-Russia search for Dudayev has been formally launched, and a criminal case against him has been opened.

"If his position and views change or he is rehabilitated just as others are, as a rehabilitation is envisaged in principle, then the issue can be looked at differently," Lobov stressed. In his opinion, "a lot depends on Dudayev himself, and not only on him but on his entourage, too."

Chechens Seen 'Playing' at Handing Over Weapons

MM0609154095 Moscow ROSSIYSKAYA GAZETA
in Russian 6 Sep 95 pp 1,3

[Report by Vladimir Yanchenkov under the "Chechen Knot" rubric: "We Are Playing at Handing Over Weapons"]

[FBIS Translated Text] Grozny — Convoys of weapons are proceeding along the mountain paths. Maybe the dashing Soviet general is preparing for war?

The deadline for the disarmament of gunmen and volunteer guards and the voluntary surrender of weapons by the population, determined by the Agreement on the Package of Military Questions, ran out 5 September. According to rough calculations, the results are modest to put it mildly: Of the 80,000 firearms to be found in Chechnya, only just over 1,000 have been handed over.

Large-scale military confrontation has ceased. The federal troops, strictly carrying out the points of the agreement, are not conducting any combat actions. But submachinegun and machinegun fire is continuing to thunder and grenade launchers and mortars are crashing under cover of darkness in the republic's population centers and Grozny in particular.

Meanwhile, endless talks, which have now become routine, have been conducted slowly and listlessly in

the building where the Special Observers' Commission has established itself.

But then things started happening. Akhmed Zakayev, commandant of the Urus-Martan axis and a participant in the negotiating process, agreed to disarm one of the detachments of gunmen located in the village of Tangi-Chu, which are subordinate to him.

On 3 September at the appointed hour the federal troop command, together with representatives of the Organization for Security and Cooperation in Europe [OSCE] and a retinue of journalists, arrived in the village of Tangi-Chu. Over 100 gunmen, decked with knives, submachineguns and grenade launchers, were strolling around the square outside the headquarters. Large-caliber machineguns were standing here and there. On the outskirts of the village, where the weapons being handed over were supposed to be registered, Akhmed Zakayev brought...15 Kalashnikov assault rifles in all. What's more, he stated that these guns, apparently voluntarily handed in, have to be left for the local detachment for the protection of the population center (as the agreement demands), and since there are 20 people in the detachment (all Dudayev's gunmen), then the Russian side is obliged to provide an extra five submachineguns to the detachment.

Even General Pavel Maslov, who heads the commission for receiving the weapons and who has seen a thing or two in his time, was dumbfounded at this original — to put it mildly — interpretation of disarmament.

The actual idea of disarmament was a kind of fashion for many of Dudayev's field commanders, it was a convenient screen behind which their real intentions and plans were concealed. And now Shamil Basayev, the executioner of Budennovsk himself, who is charge of dozens of cutthroats, is announcing his readiness to give up a few guns. Evidently on the same terms as Akhmed Zakayev. And in the villages of Nizhniy Mayrtup, Bachi-Yurt, and Kurchaloy in Shalinskiy Rayon, where a detachment of gunmen consisting of over 1,000 men is stationed, as many as 15 submachineguns were handed in to amuse the journalists.

The members of the Special Observers Commission could count on their fingers the weapons handed in by the gunmen and the population. And at the moment they are complaining that the disarmament process "has not been entirely satisfactory." Endless convoys bearing the latest — brand new — weapons, winter kit, and other military equipment are being sent up the mountain paths for Dudayev's use. Firewood for the winter is being laid in energetically.

Evidently the former Soviet General Dudayev does not intend to deviate from the path of war irrespective of any agreements. Worried about a new spiral in the armed confrontation, the inhabitants of certain population centers have not only suspended, but have turned back the process of disarmament.

You can understand these people. Under the guise of carrying out the Agreement on the Package of Military Questions, the de facto legalization of Dudayev's armed bands is taking place before the very eyes of the Chechen people by means of the creation of protection detachments, and the seizure of power by them has become a reality in a number of areas.

Chechen Scene 'Confused' Upon Lobov's Arrival

MM0609160495 Moscow IZVESTIYA in Russian
6 Sep 95 p 2

[Report by Boris Vinogradov: "Not All Chechens Agree To Vote Without Weapons"]

[FBIS Translated Text] A team headed by Security Council Secretary Oleg Lobov, the Russian president's official representative in the Chechen Republic, has arrived in Groznyy.

Arrived, the statement goes, "for permanent work" on normalizing the situation in Chechnya. The group includes high-ranking representatives of many ministries and departments, including power departments. The duration of its stay in Groznyy is unspecified, but everyone remembers Boris Yeltsin saying that Lobov will have to "go down there for a year." Oleg Ivanovich himself announced that the first stage of his Groznyy "sentence" would be 10 days and he would then return to Moscow.

So a full set of representatives of all the Russian authorities has been put together in Chechnya.

The need to coordinate efforts, which the Russian president talked about at a recent Security Council session, is obvious to anyone dealing with Chechen affairs. Recently the situation became utterly confused.

The Russian generals themselves describe the results of disarmament as "zero," the plan for an exchange of one set of prisoners for the other is increasingly looking like wishful thinking, in many Chechen cities, the federal forces are in unnatural proximity to armed Dudayevites, elections have been postponed indefinitely, and the restoration of the economy and destroyed housing is not going as quickly as planned. In the information sphere, you have a tedious jumble of figures and dates, frequent statements by one set of people and rebuttals by another.

The people of Groznyy — busy in the main looking for food, housing, documents, and lost relatives — have

gotten another "supervisory authority." The lines are now forming outside it and applications and petitions are being drawn up.

The Russian army left behind in Groznyy burned-out streets with names that bespeak uniformity: May Day Street, Victory Avenue, Lenin, Revolution, Ordzhonikidze, Red Front Soldiers Street... Now construction workers from Volgograd, Belgorod, Smolensk, Pskov, and other Russian cities are going to Chechnya, where they are viewed ambivalently: with gratitude and hostility.

But the capital is being restored not only by Russians. Turks and Swiss are also involved. The Turkish firm "Enka," which got the contract to restore the center, has erected a metal fence around it and set to work. After carrying out an X-ray analysis of the presidential palace the Turks' final verdict was that it should be demolished, because it cannot be restored. Since the war, 68 major buildings have now been demolished in this way.

I was given some figures at City Hall: The city now has more than 300,000 inhabitants. Before the war there were 36.5 million square meters of housing, and 3.9 million square meters were affected. In seven months, 5 percent has been restored. In the winter around 25,000 citizens will have no roofs over their heads.

Political life was given something of a boost by the Security Council's decision to bring the new Chechen leaders into the talks. Who Moscow will choose is anyone's guess. But many people are now taking of such figures as Ruslan Khasbulatov; Doku Zavgayev, former oblast committee first secretary; Yusup Soslambekov, former parliament speaker; Lechi Magomadov, Umar Avturkhanov's deputy on the Committee of National Accord [CNA]; scientist Zhabrail Gakayev, and others.

Hopes that the list would include Dzhokhar Dudayev faded when Boris Yeltsin publicly described him once again as a "bandit." At the same time, on the streets of Chechen cities pictures of Dudayev are being pasted up alongside those of Umar Avturkhanov and Salambek Khadzhiyev. Moreover, Vladimir Zorin, Nikolay Semenov's first deputy, has just announce that the Russian authorities are not opposed to participation by Dudayev and his former associate Usman Imayev participation in a "constructive dialogue."

Aside from these people, leaders of parties and movements, of which there are now more than 10 in Chechnya, are also aspiring to top jobs. First and foremost you have the Republican Party, the "Daymokkh" ("Fatherland") party, the Agrarian Party, "Rebirth," "Women of Chechnya," and the "Patriot" Party.

Just before Lobov arrived the Chechen electoral commission announced that the parliamentary elections planned for 5 November had been postponed. It turns out that the CNA decision had been a pretty agonizing one and had been made under pressure from Moscow. The advocate of postponement was CNA Chairman Umar Avturkhanov. Several people, including his two deputies, are opposed to it, saying that the postponement moves merely demonstrate the CNA's inability to control the process.

Electoral commission deputy chairman Yakub Sabirov pointed out that elections cannot be valid unless the disarmament process has been fully completed. What "fully completed" means he did not explain. When you consider that the surrender of weapons at that pace could drag on for years, the idea of a free election can be forgotten for the moment.

Nonetheless, against the background of the sluggish implementation of the agreement on the military group of questions the theme of elections and determination of the political status of Chechnya is beginning increasingly to dominate. Logically, Umar Avturkhanov said to me, first you must disarm, hold a vote, and create a parliament, then it will decide what kind of relationship to have with Russia. But one thing is clear: Nothing like this has happened in the Russian Federation before. Moscow has no guarantees that the new parliament will demand the kind of sovereignty that verges on separation.

The present leaders in Grozny are evidently as maximalist on this matter as Dzhokhar Dudayev. Clearly, it was no accident that Oleg Lobov said for the first time that Russia is preparing a draft treaty whereby Chechnya will be given the widest possible powers and autonomy.

Lechi Magomadov, who was opposed to the postponement of the elections, said in conversation with me that he sees Chechnya as a sovereign state, but wants guarantees that no one will flout this sovereignty. We must be able to turn to the outside world if the need arises, that is, be a party to international law. Part of Russia or not part of Russia — it no longer matters. The Chechen people, victims of two deportations, genetically distrust a state like that, he stressed.

Maskhadov on Ending War, Giving Up 'Puppet Regime'

*MK0709065595 Moscow SEGODNYA in Russian
6 Sep 95 p 3*

[Interview with Aslan Maskhadov by Mariya Eysmont in Grozny; date not specified: "Aslan Maskhadov: Russia Must Give Up the Puppet Regime in Chechnya Today. Dudayev's Chief of Staff Is Trying 'Not To

Notice' for the Time Being Problems of Political Settlement")]

[FBIS Translated Text] [Eysmont] Aslan, only a few months ago, both parties in this conflict denied any possibility of negotiations. Now, combat operations have virtually stopped and an active dialogue is under way. What has changed since that time?

[Maskhadov] Negotiations were also held before — in Sleptsovsk and Novyye Atagi. Those days, however, were different: The Russian side demanded categorically that we lay down our arms without the [Russian] troops being pulled out. Today, both sides have realized that the war cannot go on any longer, since it is senseless. The main thing is that all of us are now seeking peace.

[Eysmont] Do you have enough means to ensure peace now?

[Maskhadov] I am in control of all of the resistance forces in this republic. I have already told the Russian side that I have influence here and can get in contact with any group and any unit. If necessary, I can go to them and settle any problem peacefully, within the framework of the agreement on military matters.

[Eysmont] However, when Alaudi Khamzatov entered Argun without your knowledge, the situation was not settled peacefully.

[Maskhadov] Everything would have been perfectly all right in Argun, had the Russian side not provoked the clash deliberately. Russia had to make a show of force, to show — using Argun as an example — that, unless everything is settled by peaceful means, it will act this way. I then proposed to Romanov that I take this group back to the mountains, without any shooting, or leave it in place until morning and disarm it the following day. The Russian side, however, categorically demanded that arms be laid down immediately, before 1500. I told them, "No, it will not work this way. Everything is to be done in accordance with the agreement." Then I realized that Romanov had received an order from Moscow to use force. This is why peaceful means failed.

[Eysmont] Do you think that peace will not be broken later?

[Maskhadov] We are now doing all we can to implement the military agreement — to have Chechen detachments disarmed and disbanded and Russian troops pulled back and later out of the republic. Of course, this is difficult to achieve, and there are many obstacles. I believe, however, that whatever obstacles or provocations there might be, the military agreement must be realized. I think that those Russian generals who are working with

me — Romanov and Maslov (commander of Russian Federation Defense Ministry troops in Chechnya) agree with me sincerely and are eager to have the agreement fulfilled.

There are demands on both sides, however, that — apart from carrying out the military agreement — we should also deal with political issues. If, however, we try to place this burden on ourselves too, we will not attain anything. We are military people, and, above all, we need to stop the war, as it is written in plain words in the military agreement. Therefore, we pretend that we are unaware of any political problems.

[Eysmont] Are there any differences with the Russian side in interpreting the agreement on military matters?

[Maskhadov] Of course there are. There are many controversial points in the agreement. We discuss them and try to coincide in opinion. It even happens sometimes that it is one thing on paper and a little different thing in practice. In such cases, we simply go to a place and try to use some approach experimentally, and only then do we implement this approach in other places.

[Eysmont] What is your vision of Chechnya after the agreement is realized?

[Maskhadov] I see Chechnya being free, a place where people can breathe freely. As for how we will live with Russia, we can decide this later, at the negotiating table.

[Eysmont] How will the deployment in the republic of two brigades of Interior Troops affect the situation in Chechnya?

[Maskhadov] The agreement says that the question of Russian military presence should be coordinated with the Chechen authorities. When the question of the republic's status is resolved, an election is held, and it becomes clear what kind of state Chechnya will be — whether it will sign a confederation or any other agreement — then we will make a specific decision on this matter. Then we will decide how Chechnya's defense is to be arranged — jointly with Russia or separately. Then we will also decide whether these brigades are to be withdrawn, remain as bases or be used for defense jointly with our brigades. Until that time, the Interior Troops brigades will in all probability remain here.

[Eysmont] What armed forces will the Chechen Republic have after the military agreement is carried out?

[Maskhadov] After a disarmament, Chechnya will retain self-defense detachments. They will be a guarantee of security against any encroachment by any side — both on the village and the republican level. Then, after the election is held and the status of the Chechen Republic

is determined, we will say what kind of armed forces we will have.

[Eysmont] Many people say that you are capable of coming to an agreement, whereas Dudayev is not.

[Maskhadov] I will tell you frankly: Whatever people might say on this matter — that Dudayev cannot come to an agreement, and Maskhadov can do so — in the long run our views coincide. As for the manner of saying things or the tone, everyone has a way of his own.

[Eysmont] Is the president of Ichkeria [Chechen name for Chechnya] informed about the negotiations which you are conducting with the Russian command?

[Maskhadov] Of course, he is. Two days ago I had a meeting with Dudayev and all of the field commanders. We discussed how 6 September should be celebrated. The Russian side says that a large-scale action is being prepared, allegedly guided by me. This is not true. In every rayon and every village we are preparing for offerings and prayers for those who have perished.

[Eysmont] Will there be a centralized action?

[Maskhadov] No, there will not.

[Eysmont] Do Dudayev and the field commanders exert any pressure on you?

[Maskhadov] There is no pressure on me from the Chechen side. I am afraid that pressure is being exerted from the other side. Why? Because, whether you want it or not, there are authorities in Chechnya which have been imposed on us by the war — a puppet regime. Regrettably, the Russian Government has not realized yet that its puppet regime is not accepted by the people. Even if the war continues and this government is imposed on us by force, the people will not accept it. In the people's eyes, they are traitors. It is useless to support them with weapons while implementing the military agreement. This will do no good — Russia will have to give them up.

[Eysmont] When? After the election?

[Maskhadov] No, today.

Politics and Nationalism

'Thousands' Celebrate Independence Day in Grozny

AU0609165795 Paris AFP in English
1635 GMT 6 Sep 95

[Report by Nikolai Topouria]

[FBIS Transcribed Text] Grozny, Russia, Sept 6 (AFP)
— Thousands of Chechens demonstrated and hoisted

the rebel flag over the ruins of the presidential palace in Grozny on the fourth anniversary of their unilateral declaration of independence Wednesday [6 September].

About 6,000 Chechens gathered in the bomb-cratered main square chanting anti-Russian slogans as dozens of rebels climbed into the skeleton of the presidential palace and raised the green-white-red separatist flag.

Groups of Chechens dressed in their best clothes performed the sacred Moslem Zikr dance, helped themselves to lamb cooked in giant vats set up in the square and drank toasts to separatist President Dzhokhar Dudayev, who is in hiding.

The gathering passed off peacefully partly due to a decision by Russian troops to pull away from the square and presidential palace, which became the symbol of Dudayev's independence declaration on September 6, 1991.

Russian forces captured the 11-storey concrete building in January, but only after bombing and shelling the surrounding area to the ground.

Chechen guerrillas had beaten off repeated attacks on the building and were forced to abandon it when a Russian bomber dropped a massive penetration bomb that sliced through each of the floors and exploded in the cavernous bunker.

Since then, the building has been left abandoned, surrounded by grass and craters. This was the first time a Chechen flag was raised.

Russian authorities, anxious to avoid an outbreak of violence on the anniversary of the "independence" declaration, imposed tight control over city roads, creating widespread traffic jams.

Meanwhile, Russian President Boris Yeltsin's personal envoy to Chechnya, Oleg Lobov, told local reporters in Grozny that he backed allowing Dudayev into the post-war political process.

"I was always for holding talks with Dudayev, but now it's difficult because he is a wanted man. But if he is rehabilitated he can definitely participate in the elections," Lobov said.

Dudayev has been declared a criminal by Moscow, but Russian negotiators in Chechnya are apparently increasingly keen to bring him out of the cold, since he remains popular among many Chechens.

Dudayev was expected to appear on his clandestine television channel later in the day.

Chechen military commander Aslan Maskhadov attended the demonstration and called for calm, saying

that negotiations with the Russians had ended the nine-month war, INTERFAX news agency reported.

"We have resolved the major problems, we have stopped the war," he said.

Russian and Chechen separatist authorities had agreed to allow a demonstration at a memorial to the victims of Stalin's 1944 deportation of the Chechens to Central Asia, but the Chechens stayed only briefly before moving to the main square.

They displayed portraits of Dudayev and Shamil Basayev, the Chechen guerrilla commander who forced the Russians to the negotiating table by taking about 1,000 people hostage in the southern Russian town of Budennovsk in June.

Five truckloads of Russian soldiers and at least five armoured vehicles in front of the presidential palace withdrew to avoid a confrontation when the demonstrators arrived.

"This is our independence day holiday. We will never forget what happened here. I am sure that in a year's time not a single Russian soldier will remain," said Zelimkhan Zubarayev, a 43-year-old agricultural worker from the southern Shali area.

Between 15,000 and 30,000 people have been killed in Chechnya since December, when Russian soldiers were sent to crush the independence uprising.

Dudayev Addresses Chechnya on 'Underground' TV

LD0609202395 Moscow Russian Television Network in Russian 1900 GMT 6 Sep 95

[From the "Vesti" newscast by announcer A. Vitels]

[FBIS Translated Excerpt] A meeting held in Grozny on the occasion of the 4th anniversary of Dudayev's regime of restoration of the Chechnya's state independence was declared the extraordinary congress of the Chechen people. [passage omitted]

In the evening, Dudayev made his traditional address to the people — this time on underground television.

[Begin recording] [Dudayev, in a military uniform, sitting in a makeshift studio, speaks to the camera] I am prepared not only to relinquish my authority but also not to take part in the elections — since Russia hates me so much. Well, let it be. I shall be more dangerous when I leave this post, when I am free in my actions. If they count on killing me, they are foolish, because they do not understand that this is in the hands of the Almighty. Do not waste your money, your trillions,

trying to kill Dudayev. This is not in your power, you see. [end recording]

Dudayev decreed that the city of Grozny was renamed The Fortress of Grozny; Bamut renamed The Immortal Fortress of Bamut; and Malyy Achkhoy renamed The Immortal Fortress of Malyy Achkhoy.

Volskiy Interviewed on Chechnya Situation

MM0609163195 Moscow TRUD in Russian 6 Sep 95
p 1

[Interview with Arkadiy Volskiy by Liliya Lagutina; place and date not given: "Arkadiy Volskiy's Path of Peace" — first three paragraphs are TRUD introduction]

[FBIS Translated Text] ... When this talk was ending Volskiy, lighting a cigarette, unexpectedly said: "I have never been a superstitious man and I do not believe in devilry or wizards but as I go through life I am increasingly convinced that where evil accumulates cataclysms occur: natural disasters, tragedies, from the senseless war in Karabakh to the earthquake in Spitak, from South Ossetia, Abkhazia — to Chechnya. Evil is concentrated and finds an outlet in a particular form. How can this be explained, do you know?"

I do not know. Before our conversation a different parallel occurred to me which is also hard to explain. I remembered Stephen King's novel about the man who caused accidents.... Why? The author does not answer this question — it was probably just his fate.

Familiar with Arkadiy Volskiy's career, I made a comparison: He has always appeared after great tragedies and laid his path of peace. Czechoslovakia, Chernobyl, Armenia, Karabakh.... There are very many examples.

[Lagutina] Arkadiy Ivanovich, what is the mood in our army if we are speaking sincerely? Is it true that the peace talks which you held in Chechnya failed to find a response among most of the servicemen there?

[Volskiy] These claims are simply lies. They are repeated by those who do not have children in the army in Chechnya, who are not fighting themselves, who think of themselves as strategists, observing the fighting from one side.

You remember what Zhirinovskiy suggested: halting the talks and cornering the enemy in his lair? But how to corner him? If the war had been in the plain it would now have been waged under very hard mountain conditions.... Imagine how many casualties there would have been! Those who insist on continuing the war I refer to the soldiers' mothers.... I brought down from the mountains four boys who had been taken prisoner,

they were given to me as a "present" and I shall never forget that meeting. I was moved to tears.

[Lagutina] Nonetheless it is hard to believe that the soldiers and officers are all to a man in favor of ending the war....

[Volskiy] I did not say that they were all in favor of a man, I said the majority. The following incident took place.... After grenades exploded literally two steps from our quarters at 0200 or 0300 hours I could not sleep. I was living in the same room as Vyacheslav Mikhaylov but his nerves were obviously stronger — he slept.

[Lagutina] Forgive me, Arkadiy Ivanovich, please say a few words about how you lived in Grozny....

[Volskiy] We lived in a construction workers' hut without windows and water. The room was 1.5 meters by 2 meters and the toilet was a cesspit. But it was nothing, it was easy to cope with.... So.... I went out onto the street to smoke with a junior lieutenant called Andrey. He said to me: "They killed Fedya. They killed Petr Sergeevich, they killed Klim as well — and should I not avenge them?" And I said to him: "My dear Andryusha, we have also killed someone.... Basayev has lost 11 relations, including his wife and three-month old child and Basayev is also taking revenge. By brutally killing hostages. So how much vengeance shall we wreak on each other? All wars end in peace, even the Hundred Years' War.... We must find the strength in ourselves, however hard it may be — perhaps we should go, disappear, change our place of residence, or something like that, but we should abandon revenge."

At a meeting in Grozny a woman shouted: "I hate the Russians!" I replied: "How can you hate a people: the Chechen, Russian, or Abkhazian people...." Then, at the meeting, I remembered and read out to the people the words of the very wise Rasul Gamzatov:

"May all peoples be renowned and thrice accursed he who intends, he who tries, to discredit any people!"

There are no bad peoples, there are bad leaders, bandit leaders, if that applies to Dudayev.

By the morning that boy, Andrey, seemed to agree, perhaps he simply grew tired of talking to me.

[Lagutina] Who is to blame, though, for the fact that this war was unleashed?

[Volskiy] A traditional Russian question: Who is to blame and who should be punished? Today it has no meaning. Later, when the situation stabilizes, yes.

[Lagutina] Do you believe that in the very near future the situation in Chechnya will stabilize?

[Volskiy] I believe that reason should triumph, I sincerely believe it. After all, the casualties already run into tens of thousands.

[Lagutina] But Oleg Lobov has not ruled out the use of strong-arm methods.... Incidentally, how do you assess the security council decision?

[Volskiy] Lobov has not ruled out the strong-arm method of disarmament. Those are different things. Maskhadov and Romanov have agreed on the disarmament of the intransigent bandit formations and the mountain guerrillas who are shooting our soldiers on their own.

I rate the security council decision highly. It supported our peace mission formed at the initiative of Premier V. Chernomyrdin and supported by the president. I am glad that Oleg Lobov has been appointed the president's representative in Chechnya. The general opinion of our delegation is that this is the most suitable candidate.

[Lagutina] There have been many rumors about how Volskiy is being removed from the delegation....

[Volskiy] That is crazy. I do not even know who started those rumors. The delegation remains unchanged.

[Lagutina] When do you intend to go to Chechnya again?

[Volskiy] After the disarmament process has been completed. In my view it will take about three months, in the opinion of Internal Affairs Minister A. Kulikov about two months. I am perturbed by the fact that the weapons are handed in but enter Chechnya again via adjacent countries, Azerbaijan, for instance. More punctilious work on the part of the border guards is needed, after all the incident in Dagestan says a lot.

[Lagutina] But what is your attitude toward reports that gunmen are being trained in some countries?

[Volskiy] Who can say for sure? Shakhrai named Bashkiria in this connection — the Bashkir president has sued him for slander....

[Lagutina] Arkadiy Ivanovich, will elections be held in Chechnya soon?

[Volskiy] I cannot say for sure. They could be held soon but the date could be deferred. Perhaps the elections will be in December if the disarmament process ends. This problem is a complex one. Any peace talks could be reduced to nothing unless we decide questions of the future election campaign.

Today the situation is like this: Dudayev has officially scheduled elections for one day, Khadzhiyev for another. How will that look? I think that both are unrealistic. Unfortunately, the people who sympathize with

Russia are divided into different parties and political groups. And unless they gather together on the basis of a national program they could lose the elections and everything will be in vain.

[Lagutina] The problem of Khasbulatov probably originates here. Incidentally, you said that he is ahead in all popularity ratings in Chechnya....

[Volskiy] That is so. Moreover, initially I did not believe the ratings and I sent 17 of our correspondents to ask Chechnya's inhabitants how they rated politicians of Chechen nationality. It was all confirmed in full: In all polls Khasbulatov came first. People explain this primarily by the fact that he is not directly involved in the war while Dudayev and the others have blood on their hands.

And I assess extremely highly the decision of the president who, understanding all this, agreed at the security council to meet "with other leaders personally." I hope that means a meeting with Khasbulatov. It is a good beginning.

[Lagutina] You have already said once that Dudayev and company coordinated all their actions with Moscow.... This phrase gave rise to a certain "storm at the top level."

[Volskiy] Here is what I said: Dudayev's supporters who were conducting talks with us constantly consulted with their own, let us call them patrons, in Moscow.

[Lagutina] Who are these patrons?

[Volskiy] There are specialized services which must know and should take steps.... I am saying this for the first time: When the talks reached the point of breaking down one day, Usman Imayev said to me: "Arkadiy Ivanovich, why take offense, your hawks and our Dudayev have one and the same masters."

[Lagutina] Where is Dudayev now?

[Volskiy] The most terrible thing is that since he was removed from the talks no one has seen him. They reply evasively: He is being treated for his nerves....

[Lagutina] Has he been removed with some kind of official formulation?

[Volskiy] Neither I nor the other delegation movements have seen a document about his removal. Why Usman Imayev has disappeared I can only speculate, probably for saying things like that....

Usman Imayev is an honest man, a high-class lawyer. A justice minister and general prosecutor. He said that he has initiated criminal proceedings in 41 cases against workers in Dudayev's government.

[Lagutina] You spent 45 days in Chechnya in very hard conditions. Now you are home but when you close your eyes what scene from Chechen life do you see?

[Volskiy] The shooting of the Chapanov family. It was no accident the family was selected since there was no one there to avenge them: a woman, a grandfather, and four children. The mullah and the others placed the bodies with the decapitated heads on an open-sided truck and took them to Grozny. On the way the truck gathered a crowd of thousands of people, mainly women and children. And they were all shouting, groaning, and cursing the murderers. Nikolay Semenov and I walked this path and got into the truck. Then the mullah handed me a two-year-old child whose head had been cut off.... You know in life I have experienced all kinds of things...but that will remain with me until my death. Then I addressed this roaring crowd, speaking to them literally on dead bodies. It was terrible.

[Lagutina] Arkadiy Ivanovich, why is it that you appear after a tragedy has been played out and try as far as you can to reconcile people and get rid of disaster?

[Volskiy] That is so. It is probably fate.

Military Operations

Dudayev Agrees in Principle to Guards' Release

LD0609192695 Moscow INTERFAX in English
1759 GMT 6 Sep 95

[FBIS Transcribed Text] MAKHACHKALA, Sept 6 (INTERFAX) — Dzhokhar Dudayev has agreed in principle to the release of five Russian border guards captured by Chechen gunmen in the Botlikh region of Dagestan on August 24, State Duma deputy Magomed Tolboev told INTERFAX.

Tolboev, a cosmonaut who was elected to the Russian State Duma from Dagestan, held talks with Dudayev on freeing the captured border guards on the federal authorities' instruction.

Tolboev said the problem was hard to resolve because the Russian border guards had been seized by an independent Chechen sabotage unit acting near the border between Chechnya and Dagestan.

Tolboev left Dagestan for Chechnya Monday and went to the meeting with Dudayev by paths in the mountains in order to avoid meeting with Russian checkpoints. Tolboev said he believed that Russian checkpoints failed to subordinate "either to their ministers, or to the Commander of the Russian Troops in Chechnya, General Anatoly Romanov."

"I have the impression that separate units of federal troops are confronted by well-organized groups of

Chechen fighters with a perfect communications system," Tolboev said.

INTERFAX has learned that the captured Russian border guards headed by Lieutenant-Colonel Alexander Novozhilov are now staying in Grozny.

The press center of the Caucasian Special Border District told INTERFAX that Deputy Commander of the Caucasian Special Border District Major-General Vladimir Dobyichin had discussed the freeing of the captured border guards with Chechen Chief of Staff Aslan Maskhadov today. However, the talks did not bring any specific results.

Soldiers in Chechnya Sell Arms To Buy Drugs

MM0709095295 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 2 Sep 95 p 2

[Report by special correspondents Vladimir Ladnyy and Aleksandr Khokhlov under the "Scandals" rubric: "The Firepower of a 'Kalashnikov' in Grozny: 40,000 Hashish Joints Per Second. A Chechen Drug Ring Is 'Busted' at the Russian Troops' Main Base in Chechnya"]

[FBIS Translated Text] Grozny — The attention of the combined airborne assault troops battalion commander was caught by a much-used public footpath in the vicinity of Grozny's Khankala Airport: All day, and frequently during the night as well, soldiers of the federal troops traipsed back and forth along this path. The officer placed a concealed surveillance post near this footpath.

"Halt," the sergeant whispered.

The shadow darted to one side, but to mess with airborne assault troops is no laughing matter.... The detained man was delivered to the unit's headquarters, and the commander reported to officers of the Federal Security Service [FSB] the capture of a Chechen by the name of Khasan (we were asked not to disclose his surname). The next day KOMSOMOLSKAYA PRAVDA's special correspondents were permitted to talk to the detainee.

At our request they removed from Khasan's eyes a red bandage, which had in former times served as an honorary chest ribbon "To the Victor of Socialist Competition."

Khasan is 25 years old. He has had three "spells" in places of incarceration. The first was when he was 14. On the last occasion he walked free when in 1992 Dudayev released all prisoners. The young man claims that he has kicked the drugs habit, swearing on the Koran, but the veins in his needle-scarred arms cause

you to doubt his piety. Here is a transcript of our conversation:

[KOMSOMOLSKAYA PRAVDA] Where were you going at midnight, across mine fields?

[Khasan] To the boss, Saybi.

[KOMSOMOLSKAYA PRAVDA] What does he do?

[Khasan] He helps the Russian guys who are hooked on drugs. He always has good hashish. And also he buys weapons from Russian soldiers.

[KOMSOMOLSKAYA PRAVDA] "Have you bought weapons from Russian soldiers?" we inquired of Khasan when we were left alone.

[Khasan] Yes, of course.

[KOMSOMOLSKAYA PRAVDA] And how much are they these days?

[Khasan] A Kalashnikov rifle goes for 2 million; they will sell it to you for this price at any market. Officially the Russian Government is currently buying up weapons from the population, but, you see, they give 900,000 for an assault rifle, or even less. It is not profitable."

[KOMSOMOLSKAYA PRAVDA] And pistols?

[Khasan] You want some? I can get you some for \$350. Usually a pistol costs \$400 in the marketplace.

[KOMSOMOLSKAYA PRAVDA] Ammunition?

[Khasan] "A shell costs 300-500 rubles. But if you are going to get some, it is cheaper to get them wholesale.... Generally speaking, a deficit is a bad business," Khasan remarked philosophically. "It used to be that arms were sold in all Chechnya's markets openly and freely, and the prices were a little lower. Your people took the weapons, our people hid them — so you create the deficit yourselves."

[KOMSOMOLSKAYA PRAVDA] Do soldiers exchange their weapons for drugs?

[Khasan] Why their own weapons? They steal assault rifles from one another and sell them.

[KOMSOMOLSKAYA PRAVDA] Okay, and how much does hashish cost?

[Khasan] Hashish varies as much as weapons. Good hashish costs 50,000 per portion, bad hashish costs 25,000. You want some? For you I can get some good stuff for 45,000.

[KOMSOMOLSKAYA PRAVDA] So that means that a Kalashnikov is equivalent to 40,000 "joints".... Do you benefit from making Russian soldiers into drug addicts?

[Khasan] Well, who said I was doing that? Today people from good Russian families do not become soldiers, their daddies offer bribes and buy them off. And of those who come to shoot us, half are drug addicts.

[KOMSOMOLSKAYA PRAVDA] Have you yourself ever done service?

[Khasan] When could I have done service, when I have been in jail all the time? [Khasan ends]

A bearded FSB officer with sad eyes told us later that this is the second drugs ring near Khankala that has been busted. There is a theory that people like Saybi are not acting for personal gain, but on assignment: While increasing Dudayev's arsenals, they are simultaneously corrupting the Russian Army, which is currently idle.

And the airborne assault troops commander informed us the next morning that on the road leading to the drugs ring his men detained another two persons. These were soldiers. They were going to Saybi, taking the high-pressure fuel pump from an "Ural" truck to exchange for drugs. One of them, a Muscovite, who has used soft drugs since the age of 14, confessed on interrogation that he became addicted to hard drugs in Grozny two months ago.

"Well, what fools there are in the world!" the commander sighed. "They sell weapons by which they themselves will be killed tomorrow."

Effects on Chechen Community

Volskiy: Oil Industry Can Be Rebuilt Within Months

LD0609172995 Moscow ITAR-TASS in English
1708 GMT 6 Sep 95

[By Igor Ivantsov]

[FBIS Transcribed Text] MOSCOW, September 6 (ITAR-TASS) — Chechnya's oil industry can be rebuilt within months, according to a high-ranking official.

Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, told journalists after the Union's congress today that a program to restore the Chechen economy which is being finalised prioritises the rehabilitation of its fuel and energy sector.

Volskiy recalled that in the old days the republic produced 3.5 million tonnes of oil and processed about 10 million tonnes more annually.

He quoted Chechen oil specialists as saying that the republic could restore 70 percent of its previous oil

output within months. As much time will be needed to modernise the Grozny oil refinery, he added.

Volskiy pointed out that the leaders of many Chechen enterprises are interested in restoring business ties with Russian enterprises not only in the fuel and energy sector, but also in machine-building and electronics.

He called on other ex-Soviet republics to invest in Chechnya, adding that there has been a proposal to establish an international humanitarian fund for the restoration of the Chechen economy.

**Baltic Presidents Meet, Support NATO
Enlargement**

*LD0709105895 Riga Radio Riga Network in Latvian
0900 GMT 7 Sep 95*

[FBIS Translated Text] Estonian President Lennart Meri, Latvian President Guntis Ulmanis, and Lithuanian President Algirdas Brazauskas are discussing relations between the Baltic states and relations with Russia, the European Union, and NATO in Tallinn today. The presidents intend to sign a joint communique in which they will express support for NATO enlargement and admission to NATO of the Baltic states. In the evening, Meri, Ulmanis, and Brazauskas will take part in the opening of a new building of the Lithuanian embassy in Tallinn.

The last meeting between the presidents of the Baltic states took place in Latvia on 8 February at the opening of the Baltic peacekeeping battalion's training center at Adazi.

**Concern Over Russia's Role in Baltic NATO
Membership**

*LD0609105095 Vilnius Radio Vilnius Network
in Lithuanian 0900 GMT 6 Sep 95*

[FBIS Translated Text] Serious concern was voiced by the parliamentarians of the Baltic countries concerning Russia's possible role in the expansion of NATO. They hope that Lithuania, Latvia, and Estonia would not be denied the right to live according to the principle of self-determination and under conditions of European stability and security.

The statement, issued by members of the Baltic Assembly security and foreign affairs committee, points to insufficiently defined attitudes held by Western political circles on NATO membership by the Baltic states. The West has stated on more than one occasion that on this issue Russia will not have the right of veto, however, the Baltic parliamentarians note, of late it has been said that concerning the issue of the acceptance of the Baltic states into NATO Russia's attitude to this will have to be taken into consideration.

The idea of special partnership between NATO and Russia could be fashioned in such a way that Russia's consent would be needed before NATO opens its doors to membership by the Baltic states. This could mean an indirect right of veto, the statement reads.

The statement was adopted yesterday at a sitting held in an Estonian town by the Baltic Assembly foreign affairs and security committee. The Baltic Assembly is a Lithuanian, Latvian, and Estonian inter-parliamentary organization.

CIS Speakers Try To Stop Caucasian Conflicts

*LD0609135095 Moscow ITAR-TASS in English
1317 GMT 6 Sep 95*

[By Lyudmila Yermakova and Irina Zolotareva]

[FBIS Transcribed Text] ST.PETERSBURG, September 6 (Itar-Tass) — During a meeting at the headquarters of the Interparliamentary Assembly here today, the speakers of the parliaments of Armenia, Azerbaijan, Georgia, and Russia "managed to overcome differences concerning their assessment of the conflicts in the Caucasus, although they remain different in their vision of the way the problem should be solved," Chairman of the Council of the Interparliamentary Assembly and speaker of the Federal Assembly of the Russian Federation Vladimir Shumeyko told a news conference.

All parties achieved a coordinated decision as they signed a statement on the necessity for the establishment of peace, in an attempt to stabilise the situation, Shumeyko stressed.

Parliamentarians consider that this document is the second most important after the Bishkek protocol which made Karabakh hostilities stop 18 months ago.

It was mentioned at the news conference that the Karabakh issue was the most difficult to discuss. The Federation Council speaker said that some Russian MPs were against "the normal course of the negotiating process, including that on the Georgia-Abkhazia issue."

Asked about the validity of agreements, reached at the Petersburg meeting, Shumeyko said that "further developments depend on the heads of state who intend to call a Caucasian conference late in September."

"The parliamentarians did everything within their status to influence the developments in the region. A conference will show how their contribution and their proposals and will be used," he added.

None of those present at the news conference was sure that there would be no more wars in the Caucasus. The final document cannot be considered "a major step on the way towards peace and accord," Azerbaijani parliament speaker Rasul Guliyev said.

On the other hand, chairman of the Armenian National Assembly Babken Araktsyan said that "where there is no compromise, there is no creative work."

ITAR-TASS Carries Press Review for 7 Sep
LD0709053995 Moscow ITAR-TASS in English
0503 GMT 7 Sep 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, September 7 (Itar-Tass) — The latest developments in and around the Chechen Republic remain in the focus of the Russian national papers. They publish detailed reports and comments on the events in that region.

ROSSIYSKAYA GAZETA publishes an item "If the Militants Descend from the Mountains" citing competent sources as reporting that Dzhokhar Dudayev "has not abandon hope to restore his regime." On the eve of "Independence Day" proclaimed by him four years ago, Dudayev conferred with the most influential field commanders about a series of actions to be undertaken on Chechen territory in the next few days. Dudayev ordered groups of militants to penetrate all residential centres in the republic's lowlands, especially Grozny, in order to organise mass meetings, marches and rallies.

ROSSIYSKIYE VESTI reports preparations for a large-scale conference of the leaders of the North Caucasian Republics which will have to handle "a mountain range of problems."

Most national newspapers reflect the negative reaction in the country and the world to the nuclear blast carried out by France in South Pacific despite protests across the world. One article headlined "A blast that set off a storm" points out that "the government of France will not announce the exact time of tests but will report every blast after it is over." Summing up the immediate reaction to the first nuclear test explosion in the Asian Pacific countries, the newspaper says, "the nuclear blast carried out by France in its Pacific testing site in the Mururoa destabilises the situation in the world and causes damage to the environment."

KOMSOMOLSKAYA PRAVDA wonders whether Chirac wants to become a nuclear Napoleon. It reports that "63 per cent of the French do not approve of

the leader's decision and Chirac's rating has dropped considerably." Of course, the government launched a campaign in the press to convince the masses that the nuclear blasts were not harmful at all, but the inhabitants of the Pacific region responded by proposing that nuclear tests be held in Cannes or in Bordeaux. People endowed with the sense of humour asked, "How come nuclear explosions are harmless if mice in Australia after nuclear tests grow long tails and reach the height of two metres, carry their little ones in pouches and can move around only by leaping?"

Yugoslavia is yet another sore spot in the world. IZVESTIYA report that the second extraordinary meeting of the State Duma lower house of parliament during the current parliamentary vacation will be convened on Saturday, September 9 to discuss the armed conflict in the Balkans. The question for debate is "about the unleashing of war in the Balkans by NATO, and about Russia's standpoint." The readiness of the lawmakers to give of their vacation time to debates is motivated not so much by the love for a fraternal Slav nation as by their desire to participate in the large-scale political show, Sergey Chugayev says in IZVESTIYA. According to Duma house committee for international affairs Vladimir Lukin, the Russian parliament has no possibility to influence the development of the situation in the Balkans. Chugayev adds that Russia is no different from its Duma in this respect.

ROSSIYSKIYE VESTI reports that the first festival of intellectual initiative will be held in Russia from October 1 to December 9 to give a chance to young disabled people to put on view their successes in the fine arts and choreography, as well as chamber, symphony and variety music. The festival is organised by the State Duma, the Administration of the President, the Ministry of Social Protection, the Moscow Mayor's Office, the newspaper ROSSIYSKIYE VESTI and the State Specialised Institute of Arts in order to "demonstrate that the disabled people are endowed with talents and passions as all other people."

Yeltsin Holds Talks With Gonzalez, Santer on Bosnia, EU

Russia 'May Take Appropriate Actions'

LD0709091595 Moscow ITAR-TASS World Service
in Russian 0835 GMT 7 Sep 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Sep (ITAR-TASS)

— The opinions of Russia and of those I have been talking to do not coincide on everything: the bombing of the Bosnian Serbs is "an inadmissible act; even though it was technically agreed with the United Nations, in the broad political sense NATO does not have a mandate to resolve such issues in this way." This was stated by Russian President Boris Yeltsin, answering questions from journalists in the Kremlin after talks with Felipe Gonzalez [EU Chairman and Spanish prime minister] and Jacques Santer [chairman of the EU Commission]. "Talking is one thing, but the Russian Federation may take appropriate actions," the president stressed.

Boris Yeltsin reported that Russia's line for a peaceful settlement of the Bosnian crisis remains unchanged and reiterated his initiative to hold an international summit conference in Moscow or another European capital possibly in the middle of October. "Gonzalez and Santer agree with this, but they are unfortunately justifying the bombings, and on this we disagree. Bombings have never produced the necessary result, and such conflict cannot be resolved by force — otherwise there will be a 100-year long war which will spread to other countries in Europe, he said.

Boris Yeltsin reported that today he signed an edict on providing major humanitarian aid to Serbia.

'Disagreement' Over Air Stikes

AU0709093095 Paris AFP in English
0859 GMT 7 Sep 95

[FBIS Transcribed Text] Moscow, Sept 7 (AFP) — President Boris Yeltsin warned Thursday that Russia may review its ties with NATO if the Atlantic alliance and the mainly Franco-British Rapid Reaction Force [RRF] continued attacks on the Bosnian Serbs.

"How can you talk about an accord with NATO when it is bombing the Serbs? NATO is acting without a UN mandate," Yeltsin said as he went into talks here with Spanish Prime Minister Felipe Gonzalez and European Union Commission President Jacques Santer.

In a separate statement released Thursday, Yeltsin said the continued NATO and Rapid Reaction Force attacks on the Bosnian Serbs "are torpedoing efforts to achieve a political settlement."

"By announcing its 'peacekeeping mission' NATO has assigned itself the role of judge and executor.

"If such a policy continues we will have to carefully weigh our strategy according to circumstances, including our approach to ties with the North Atlantic alliance."

However, Yeltsin said Russia would work actively to achieve success at a meeting in Geneva Friday between the foreign ministers of the rump Yugoslavia, Croatia and Bosnia-Herzegovina and the five-nation Contact Group, consisting of France, Britain, the United States, Germany and Russia.

"I intend to actively pursue efforts to find a political settlement," he said.

NATO planes resumed bombing Bosnian Serb military targets early Thursday, a spokeswoman for the North Atlantic Treaty Organisation said.

Planes from Britain, France, Germany, Italy, Spain and the United States were launching the strikes from several bases in Italy, as well as the U.S. aircraft carrier Franklin D. Roosevelt off the Croatian coast.

The Rapid Reaction Force blasted a Serb position with mortar and artillery fire late Wednesday after Serb gunners opened fire on the Mount Igman road leading out of Sarajevo, UN sources reported.

Serb shelling of the capital has dropped off sharply since the start of the NATO air operation on August 30.

Speaking after his talks with Gonzalez and Santer, Yeltsin said: "We believe there is no mandate for NATO to decide these questions.

"There could be a moment when we decide to have an adequate response," he added, without elaborating.

Yeltsin said he had signed a decree Thursday on providing humanitarian aid to the Serbs.

He criticised the NATO bombing campaign as one-sided, pointing out that it did not strike at the Croats and Moslems.

"Bombing never gives results. It does not solve this process," he said.

Yeltsin earlier told reporters the views of the EU and Russia on European security "still do not match," and there was "no concept of European security."

"It is not possible to imagine European security without Russian participation," Yeltsin said.

Implicitly criticising NATO's plans to expand eastwards to encompass former members of the Soviet bloc,

Yeltsin warned: "We will have two blocs, and will be divided into two camps."

"Europe will be turned into a state of war," he added.

Gonzalez, who is currently EU president, defended the NATO and Rapid Reaction Force operations against the Bosnian Serbs.

"I explained to President Yeltsin NATO's position on the Bosnian Serbs. Of course there is disagreement.

"We believe the international community has a responsibility to enforce the decisions of the UN, and when they are not carried out, even to use force.

"But at no time does NATO or the UN think that military action alone can solve the problem. For this we need negotiations," Gonzalez told reporters.

"We continue believing the solution for the former Yugoslavia is a negotiated solution," he stressed at the joint news conference.

Warns About Ignoring Russian Opinion

LD0709073595 Moscow ITAR-TASS in English
0722 GMT 7 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 7 (Itar-Tass) — President Boris Yeltsin spoke out in a tough manner Thursday against ignoring the Russian opinion while designing the concept of European security and against the use of "double standards" in the Bosnian conflict.

He warned Spanish Prime minister and EU [European Union] council chairman Felipe Gonzalez and EU Commission head Jacques Santer at a meeting in the Kremlin that if the Russian opinion was ignored, Europe would return to the Soviet-era division into two alien blocs.

"How do you imagine the European security without Russia?" Yeltsin asked Santer and answered himself: "This cannot be at all as it immediately means two blocs. Europe will immediately be divided into two camps which is a return to the old times when there was a cordon between us, when the two camps fought each other. Europe again turns into a common battlefield which is inadmissible".

"The question of the European security is very complicated and the opinions of the EU and of Russia do not always coincide, but it is necessary to look for an optimal decision. It is a pity that so far there is no concept of the European security. Moreover, the first modest steps to create the principles of the concept of the

European security are made without Russian participation", Yeltsin complained.

The president demanded that "firstly, the Russian working group should be immediately allowed to join the working group which drafts the concept of the European security. Secondly, I believe our ideas are new and interesting and we ask to consider them".

Speaking on western "double standards" in Bosnia Yeltsin asked rhetorically: "How does it happen that when Muslims are to blame, when they advance no sanctions are used, when Croatia advances — the same thing happens. But when the talk is about Bosnian Serbs, NATO conducts air strikes".

May Reconsider Ties With NATO

LD0709070695 Moscow ITAR-TASS in English
0659 GMT 7 Sep 95

[FBIS Transcribed Text] MOSCOW, September 7 (Itar-Tass) — Russian President Boris Yeltsin warned Thursday that Russia would be forced to reconsider its approach to relations with the North Atlantic Treaty Organisation if airstrikes and artillery shelling at Bosnian Serb targets continued and pledged to personally promote a political solution to the crisis.

A presidential statement conveyed to Itar-Tass by Yeltsin's press service said "the continuing NATO air and artillery strikes on Bosnian Serbs undermine political settlement efforts. They are beyond the limits of the UN Security Council decisions and involve the international community into the conflict against one of the warring sides in Bosnia".

"The North Atlantic alliance declares its 'peacekeeping mission', but has actually taken over the role both of the judge and of the bailiff", Yeltsin said warning that "if such a line continues, we shall have, in the light of the circumstances, to thoroughly consider our strategy, including our approach to relations with the North Atlantic alliance".

On Wednesday the Council of the Russian State Duma recommended that Yeltsin considers withdrawing from NATO Partnership for Peace programme in retaliation for NATO bombing of Bosnian Serbs.

"There is critically little time remaining for political solutions, but it is still there", Yeltsin said.

"The Russian side will actively promote the fruitfulness of the meeting in Geneva with Foreign ministers of Yugoslavia, Croatia and Bosnia under the auspices of the Contact group. I myself intend to energetically promote a search for political solutions", Yeltsin said.

"At present it is important to switch from power methods to a balanced approach and collective actions at the negotiating table. Moscow understands that, our partners should understand that", the president stressed.

"I call on everybody who is interested in the settlement to realise the seriousness and importance of the moment", Yeltsin said.

The statement said nothing about a possible unilateral Russian withdrawal from the international sanctions against Serbia, although the Council of the State Duma urged Yeltsin Wednesday to do that immediately.

The State Duma earlier passed lawbills on dropping sanctions against Yugoslavia and introducing them against Croatia. The lawbills are now on the presidential table and Yeltsin has ten days to either sign or veto them.

Gonzalez: EU, Moscow Policies 'Coincide'

LD0709100695 Moscow ITAR-TASS in English
0948 GMT 7 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 7 (Itar-Tass) — "The approaches of the European Union and Russia to the Bosnian problem coincide on the main issue: stands should be coordinated and talks should be held for the purpose of achieving a peaceful settlement of the Bosnian problem," Spanish Prime Minister and Chairman of the European Union Felipe Gonzalez told journalists today after his talks with President Boris Yeltsin. According to Gonzalez, the EU is going to further support the negotiating process, specifically in the setting of a meeting of the contact group on the Bosnian settlement on the level of foreign ministers, which is due to be held in Geneva next Saturday.

Felipe Gonzalez said that he "clearly explained to Boris Yeltsin NATO's stand with regard to Bosnian Serbs." "There are some differences between us on this problem," he stressed. "We believe that the duty of the world community is to ensure the fulfilment of U.N. resolutions. Otherwise it will have the right to resort to force. However, neither NATO, nor the U.N. believe that the use of armed force can bring peace to Bosnia. The problem can be resolved only at the negotiating table."

Gonzalez Presses Yeltsin on Bosnia

LD0609185795 Madrid TVE Internacional Television
in Spanish 1300 GMT 6 Sep 95

[FBIS Translated Excerpt] This morning Prime Minister Felipe Gonzalez had talks with Boris Yeltsin in the course of his official visit to the Russian Federation.

Yeltsin wishes to use Gonzalez's mediation to rebuild his relations with the EU. In turn the Spanish prime minister wants Yeltsin to convince the Serbs to withdraw the heavy weapons from Sarajevo.

[Correspondent Sampedro] The St. George's Hall in the Kremlin was the setting for Felipe Gonzalez's first meeting with Boris Yeltsin, and he asked him for a firm contribution to peace in the Balkans and to press his Serb friends not to intervene directly in the conflict.

After the strong opposition expressed by the Kremlin to the latest NATO attack, an attempt is being made to align the Russian leader with Western policy in Bosnia. Yeltsin has explained in private his interest in not wasting the chance for peace offered by Friday's [8 September] tripartite meeting in Geneva and his efforts to get the Serbs to turn up to negotiate with Bosnians and Croats.

[Begin recording] [Spanish Foreign Minister Javier Solana] President Yeltsin was also told that right now responsibility remains on the side of the Bosnian Serbs. They have the obligation, in accordance with the UN resolutions, to eliminate all heavy weapons within 20 kilometres of Sarajevo, and they must do that. And until they do we shall continue with the same policy on the part of the Atlantic Alliance and the UN. [end recording] [passage omitted]

Gonzalez Responds to Yeltsin Criticism

LD0709101395 Madrid RNE-1 Radio Network
in Spanish 0900 GMT 7 Sep 95

[FBIS Translated Text] Prime Minister Felipe Gonzalez's news conference after meeting European Commission President Jacques Santer ended a few minutes ago in Moscow. Gonzalez has just referred to Yeltsin's tough communique on the continuation of the NATO attacks in former Yugoslavia. Good morning Maria Jesus Chao, special correspondent in Moscow:

[Begin live relay] Good morning. The EU respects the Russian position as regards the bombardments in Bosnia, Felipe Gonzalez said in his capacity as holder of the EU presidency. He also acknowledges the point of disagreement between the parties involved in the conflict, but he defends the position which NATO has adopted toward the Bosnian Serbs for not respecting the resolutions of the United Nations. Felipe Gonzalez dwelled more on stressing the agreements than the disagreements:

[Begin Gonzalez recording] I believe there is a very clear will on the part of Russia to take part in and promote a peace process in Bosnia. This appears to me the essential element. If we were to seek another

agreement of positions, it is that NATO is not carrying out bombardments believing that that is the solution to the conflict, but rather seeking to reestablish the good name or the strictness of the international community in the face of breaches. [end recording] [end relay]

Yeltsin Calls Talks 'Stormy'

LD0709111195 Moscow Radio Rossii Network
in Russian 1000 GMT 7 Sep 95

[FBIS Translated Text] Today, Boris Yeltsin received assurances from Felipe Gonzalez that Russia will be involved in the development of a concept of European security. He reported this after his meeting with Spanish Prime Minister Felipe Gonzalez and Jacques Santer, the chairman of the Commission of the European Union, in the Kremlin. Touching on events in Bosnia, Boris Yeltsin said, in particular:

[Begin Yeltsin recording] We have discussed the issues relating to the situation in the former Yugoslavia, and, it has to be said that the discussion was energetic and stormy. Our points of view do not coincide on everything, as we believe that the bombings are an inadmissible act, and though in a technical sense it is as if agreed with the United Nations, from the political point of view and in a broad sense, we believe that NATO does not have the mandate to tackle such issues.

We said that talking is one thing, but the Russian Federation may make appropriate responses, you understand. At least, today I signed a decree on substantial humanitarian aid to the Serbs.

On the whole, we agreed on one thing: the line is toward a peaceful settlement, toward holding a general peace conference with the heads of the major states and Yugoslav republics taking part, in Moscow or another country, preferably in the middle of October. On the whole, both Mr. Gonzalez and Mr. Santer agree. [end recording]

Yeltsin Cites 'Discrimination'

LD0709093895 Moscow ITAR-TASS in English
0924 GMT 7 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW September 7 (Itar-Tass) — The Russian position in the European community is not equal to other countries, according to President Boris Yeltsin.

"A certain discrimination is carried out regarding Russia", he said Thursday after a meeting with Spanish Prime Minister Felipe Gonzalez and European Commission President Jacques Santer.

The Russian leader recalled that Russia is not a member of the European Union and of other key international organisations.

"We insist that Russia joins all European and international organisations and acts as an equal with other countries", Yeltsin told reporters.

Gonzalez Assures of Russian Participation

LD0709090095 Moscow ITAR-TASS World Service
in Russian 0819 GMT 7 Sep 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Sep (ITAR-TASS) — "I expressed my dissatisfaction with Russia not being allowed to join the discussion on the concept of European security and Felipe Gonzalez, chairman of the EC Council, assured me that the situation will be corrected and the Russian working group will join the EC group of experts working on this problem," President Yeltsin said to the ITAR-TASS correspondent at the end of his talks with F. Gonzalez and J. Santer [chairman of the EU Commission].

Gonzalez Vows To Help EU Admission

LD0609150395 Moscow INTERFAX in English
1317 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (Interfax) — Russian Prime Minister Viktor Chernomyrdin raised the issue of lifting the European Union's discriminatory measures in trade with Russia and speeding up Russia's admission to the European Union at his meeting with Spanish Prime Minister Felipe Gonzalez, who now chairs the European Union, Chernomyrdin's spokesman Viktor Konnov said.

Konnov, who took part in the talks between the Russian and Spanish prime ministers in Moscow today, told Interfax that Chernomyrdin was concerned about the lack of progress in these areas despite numerous statements by Moscow on the need to remove the discriminatory measures against Russia. According to Konnov, Chernomyrdin said that discriminatory measures against Russia remained in areas of cooperation such as space, and trading of metal products, textile products and nuclear substances.

Gonzalez told Chernomyrdin that he would contribute to the resolution of this problem. He said he would make moves to first remove discriminatory measures concerning the trading of nuclear-cycle products after his return to Spain.

Gonzalez praised Russia's desire to speed up its admission to the European Union.

The two countries' prime ministers also discussed the problems of enlarging economic cooperation, specific joint projects, including those for upgrading the Saratov oil refinery and the sports shoe factory in Bashkortostan, and the project for setting up several enterprises in Moscow and in the Urals.

Konakov quoted Gonzalez as saying that cooperation between the two countries was hindered by the absence of a law on private land ownership in Russia.

Konakov said the two prime ministers had not discussed the Bosnian problem.

The Russian prime minister accepted an invitation to come to Spain on an official visit. The date for this visit will be fixed through diplomatic channels.

The two prime ministers failed to sign any joint documents on the results of the talks.

Russia's Unpaid Debts Discussed

LD0609121395 Moscow Russian Television Network in Russian 1000 GMT 6 Sep 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] [Announcer Tatyana Khudobina] Talks continued today between Russian President Boris Yeltsin and Felipe Gonzalez, the head of the Government of Spain — currently chairing the European Union — who arrived in our country yesterday on an official two-day visit. Both delegations joined the countries' leaders. Earlier, one-to-one talks took place that lasted longer than envisioned in the protocol. [passage omitted]

[Unidentified correspondent] At today's talks between Gonzalez and Yeltsin in the Kremlin, which were at first held one-to-one, they mainly discussed bilateral relations. These still include unresolved problems: We owe Spain \$800 million. This is an old story — Moscow failed to make payments on time on credits of \$1.5 billion given by Spain to the USSR in 1990. This is a very important issue to Gonzalez — after all, the 1990 credits were given to Gorbachev, who soon left the Kremlin. Now Gonzalez himself is facing big domestic troubles. People in Spain are calling Gonzalez's present trip to Moscow his farewell visit. Moreover, an unprecedented growth in bilateral trade over recent months has come solely from Russian deliveries. Finally, Spain is at present chairing the European Union, which makes the dialogue between Moscow and Madrid even more important.

Today Boris Yeltsin expressed his gratitude to Spain for its assistance in signing the trade agreement with the European Union and for being the first EU country

to ratify it. [video shows Spanish Civil War, Gonzalez laying wreath, Gonzalez and Yeltsin in talks]

Gonzalez Meets Chernomyrdin

LD0609131895 Moscow ITAR-TASS in English 1301 GMT 6 Sep 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, September 6 (Itar-Tass) — The Prime Ministers of Russia and Spain, Viktor Chernomyrdin and Felipe Gonzalez, told journalists upon completion of today's intergovernment talks that Russia and Spain have been maintaining bilateral relations on a "good level." They pointed out that at today's meeting they discussed the problem of the Yugoslav settlement as well.

In a brief interview, the Spanish and Russian premiers noted that trade, financial and economic cooperation between Russia and Spain had been steadily developing. Nevertheless, they noted that there is unused potential in these areas which offers an opportunity for further development of bilateral contacts.

The prime ministers of the two countries confirmed that during the talks the sides discussed the situation in Bosnia-Herzegovina, but declined to comment on the discussion in detail. The Spanish prime minister noted that the talks would continue and that a final opinion of the two sides would be announced at a news conference devoted to the results of Gonzalez's visit to Russia. The news conference will be held on Thursday morning.

Development of Relations Viewed

LD0609134695 Moscow ITAR-TASS in English 1312 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, September 6 (Itar-Tass) — Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin today held talks with visiting Chairman of the Spanish Government Felipe Gonzalez, who is also the head of the Council of Ministers of the European Union, the press service of the Russian President reported today.

According to the press service, the talks mainly centered around the state and prospects for the development of relations between Russia and Spain.

In the course of circumstantial conversations in the narrow and extended formats, the sides exchanged views on the possibility of expanding bilateral and multilateral interaction and mapped specific targets for cooperation, primarily in the trade and economic field.

It was noted that the Russian-Spanish treaty of friendship and cooperation signed during the Russian President's visit to Spain had played a very important role in the development of bilateral relations. During talks in the extended format, the Russian delegation drew the attention of the other party to the fact that last year, Russian-Spanish turnover grew by a mere 15 percent which is below the two countries' potential.

Felipe Gonzalez noted the growing interest of Spanish business people in investments in the Russian economy. Prior to his visit to Moscow, Gonzalez met Spanish business people who expressed interest in the prospects and terms of investing assets in joint Russo-Spanish projects. Among such promising projects, the construction of an oil refinery in Saratov was singled out. The Spaniards also showed interest in projects in the agro-industrial sphere, including the creation of wholesale bases to Spanish technology in Russia.

In the course of the talks, prospects were discussed for cooperation in the field of the railway transport: Spain is prepared to manufacture the rolling stock for Russia or transfer to it requisite production technology. Both parties expressed readiness to expand mutually beneficial cooperation. The Russian Government intends to organise a meeting with Spanish business people in September to explain Russia's economic legislation and intentions to improve the investment climate.

Also in September, the joint Russo-Spanish commission on economic cooperation will hold its regular meeting. The holding of a Spanish industrial fair in Russia was discussed. Preparations for the large-scale show will take around 12 months.

President Boris Yeltsin thanked Felipe Gonzalez for the fact that Spain was the first European country to ratify the agreement on partnership and cooperation between Russia and the European Union, while other EU member-countries have yet to ratify the agreement.

During the talks in the extended format, the Russian delegation noted that the EU countries accounted for 40 percent of Russian trade turnover, and that the success and pace of Russian reforms depended to a considerable extent on the development of relations between Russia and the European Union.

Russia is now facing a task of ensuring access to the European market for its goods, and securing an equitable, non-discriminatory participation in the General Agreement on Tariffs and Trade and the World Trade Organisation.

The Russian delegation stressed that Russia continue to lose about 1.5 billion dollars a year because of a variety of trade constraints imposed during the cold war era.

The Prime Minister of Spain assured the Russian leaders that he would do everything in his power to have the provisional agreement between Russia and the European Union ratified by all EU member-countries. Gonzalez expressed the hope that the ratification process would be completed before December 5 of this year. He also declared that he would like to see Russia as a member of the Council of Europe.

The Russian and Spanish delegations discussed a number of international issues, first of all the Bosnian crisis, the Russian President's press service reported. Boris Yeltsin stressed the immutability of the Russian position and confirmed that "we regard NATO air strikes with resentment." Gonzalez expressed confidence that the "Yugoslavian conflict could not be settled by military means, the Presidential press service said.

In the course of the conversation, the sides discussed principles of the European security architecture for the 21st century. Yeltsin asked Gonzalez to work out its conceptual framework taking into account Russia's interests and with Russia's participation, because "although Russia is not a EU member (now), we will certainly become members of the European Union and the Council of Europe."

The President of Russia spoke against the proposed enlargement of NATO. Gonzalez declared that he saw no European security system without Russia. According to the Spanish Prime Minister, the present security system in Europe must be changed because its roots were in the past, in the cold war era, and it was unable to change with the changing times.

The Russo-Spanish talks were held in a warm and friendly atmosphere and were over before noon.

After the talks, the Prime Minister of Spain and the Prime Minister of Russia exchanged the ratification instruments to the Treaty of friendship and cooperation between the Russian federation and Spain.

On Wednesday afternoon, Gonzalez met the chairmen of the two houses of Russian parliament, and Spanish Minister of Foreign Affairs Javier Solana met Russian Foreign Minister Andrei Kozyrev.

Talks between the two delegations will continue on Thursday, the press service of the Russian Head of State said. European Commission chief Jacques Santer will join Gonzalez at the talks.

No Further UN Demarches Planned Over Air Strikes

LD0609142995 Moscow INTERFAX in English
1415 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (Interfax) — Russia is not planning any more demarches at the United Nations with regard to the resumed NATO bombing of Bosnian Serb positions, a high-ranking staffer of the Russian Foreign Ministry told Interfax Wednesday.

In his words, "the Russian position is well-known, and we are planning to confine ourselves to the statement of the Russian Foreign Ministry made Tuesday night." (the statement's text was circulated by Interfax — IF)

The statement strongly denounced the resumed NATO air strikes on Bosnian Serb positions and demanded a stop to them.

Moscow remains in contact with NATO and is helping to prepare a meeting of Foreign Ministers from Yugoslavia, Croatia and Bosnia-Herzegovina to be held late this week in Geneva under the aegis of the International Contact Group on Bosnia, said the diplomat.

The Russian side to the Geneva meeting will be represented by First Deputy Foreign Minister Igor Ivanov, sources at the Foreign Ministry told Interfax.

Russia is planning to raise the question of NATO bombing at a joint meeting of the Contact Group and representatives of the Organization of the Islamic Conference in Paris Thursday, another top official from the Foreign Ministry told Interfax.

"We will work for termination of the NATO military operation in former Yugoslavia and try to pull efforts for political settlement," he stressed.

In the words of the diplomat, Moscow considers NATO bombings of Serb positions to be a unilateral action, which has nothing to do with the peace-making operation and exceeds the mandate of the UN Force and the rapid reaction troops.

"Russia did not agree with such actions of NATO and strongly denounced them," said the official.

Moscow rejects the current practice when a bombing decision is taken by the command of the UN force in former Yugoslavia and the NATO southern flank.

'Official' UN Conclusion on Sarajevo Shell Requested

LD0709055695 Moscow ITAR-TASS World Service
in Russian 0104 GMT 7 Sep 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 7 Sep (ITAR-TASS) — Russia has asked the UN Secretariat for an official written conclusion on the explosion of the mine at the market in Sarajevo, which served as the pretext for NATO unleashing a war against the Bosnian Serbs. Sergey Lavrov, the Russian Federation's permanent representative at the United Nations, told this to an ITAR-TASS correspondent.

"At the Security Council, the Russian delegation raised the issue that the UN Secretariat has not circulated a written report setting forth the results of the investigation conducted after Sarajevo was shelled on 28 August, which resulted in many casualties. When a similar incident occurred in 1994, the results of the investigation were disseminated in a generalized form and their main conclusions were circulated officially at the Security Council," S. Lavrov said.

"We have drawn attention to that fact and have asked the UN Secretariat to circulate these conclusions officially, especially since the mass media have carried several reports to the effect that the leaders of the Russian battalion are expressing a point of view on the investigation which does not correspond completely to the official UN point of view. We have stressed that we are not casting doubt on the official point of view of the United Nations, but would simply like it to put its view in writing within the context of an official document. We have been promised that this will be done," the Russian representative noted.

Foreign Minister Kozyrev Interviewed on Bosnia

LD0609193695 Moscow Russian Television Network
in Russian 1625 GMT 6 Sep 95

[Report on interview with Foreign Minister Andrey Kozyrev by correspondent Nikolay Svanidze; place and date not given; from the "Details" program; passages within quotation marks recorded]

[FBIS Translated Text] [Correspondent Nikolay Svanidze] Hello. The NATO air force is continuing to bomb the Bosnian Serbs positions around Sarajevo. NATO has a UN mandate here. The bombing caused the Duma council today to adopt a decision to propose to the president of Russia that Foreign Minister Andrey Kozyrev should be released from his post for errors that — and I quote — have led to a humiliating defeat

for Russian diplomacy in the Balkans — end of quote. There is also a proposal that the president should resolve the question of signing a legal enactment to enable Russia to withdraw from international sanctions against Yugoslavia, and to consider the expediency of suspending the participation by the Russian Federation in the Partnership for Peace Program, a NATO program.

[Svanidze] "How did this come about, Andrey Vladimirovich? I put this question to you not in your capacity as minister, but, rather, as an expert — that practically the entire world community is on one side — moreover the West is here allied with the Muslims — while Russia finds herself on the other side? Is this good or bad? How did this come about?"

[Kozyrev] "Well, this came about — it is a rather complex story. To a considerable extent, of course, it came about because of the mass media. We live in an age of electronic mass media. Well, yesterday — because, quite simply, I am also looking for an answer to this question, for myself, yesterday I carried out a tiny experiment, as it were. I took my remote control, switched on the TV set and, changing the programs all the time, I simultaneously watched CNN in English; it is an American company, one of the biggest, watched in the whole world now — and I also watched our nine o'clock news. What a beguiling and striking picture: CNN shows NATO strikes and the commentary is that the whole world supports this. Indeed, one leader follows another and all these West European and NATO leaders, and also the leaders from the Third World, too — Indonesia, Malaysia, I do not know, and so on, you know, that is, they simply say that at long last, finally, someone made those bandits — the Bosnian Serbs — see reason.

"You watch our program, I will not tell you its content now, but the sense is this — well, NATO waddled in disgracefully and is spoiling everything there, all this is unjust, and so on and so forth.

"Well, in actual fact the truth is somewhere in the middle, in between these two commentaries and closer, I think, to our official position. But it is, of course, extraordinarily difficult to work in such circumstances, because the Serb position is always understood by our side in one way or another, as it were, whereas it is never understood by the other.

[Svanidze] "Can it be said that you are under very strong political pressure?"

[Kozyrev] "Extraordinarily strong pressure. I should tell you that all politicians and political figures taking part in this work are currently experiencing a colossal pressure

coming from their own public opinion, which is not expert and that, unfortunately, has been misled. Look at what is happening in the United States. In the United States this pressure, created mainly with the assistance of the mass media, this picture that the Serbs are guilty of absolutely everything, whereas the other side is absolutely right about everything — although this is rubbish — well, the way this pressure is reflected is that the Administration is under criticism in the Congress, where it is said that there have generally been too few strikes, too late, just trifles — the arms embargo must be lifted, and so on and so forth. Incidentally, the Americans are demanding that the embargo should be lifted and have submitted a draft resolution to the [UN] Security Council to have the embargo on deliveries of arms to the Muslim side lifted. The outcome was more or less like the situation we are in now — no one supported them and they found themselves isolated. No one supported them, not even their NATO allies.

"Well, is this a disaster for U.S. diplomacy? No. Nevertheless, they say that this is their view and that they will defend it and argue for it — but they had no support. We are doing the same thing now."

[Svanidze] "During my conversation with Andrey Kozyrev, I got the impression that the minister himself, while disapproving of the bombing as a method for solving political questions, felt little empathy with the Bosnian Serb leadership, and that in his heart of hearts he did share the view of a considerable proportion of the world community that Radovan Karadzic, the president of Bosnian Serbs, and General Ratko Mladic provoked the UN's use of force by their unwillingness to compromise and their extreme cruelty. However, the minister will never say it, even if he does think it.

[Kozyrev] "Despite everything, it seems to me that we have managed, the president has managed, to adhere to a sensible line. He said that we condemned the shelling by Bosnian Serbs, but that we were also against the NATO strikes.

"Our line, despite everything, is just this very truth, it seems to me, the truth to be found in the middle between, how shall I put it to you, between these two incompatible milit... [corrects himself] extremes, waves that clash and collide with each other here.

"How great this temptation is — just look how many critics and advisers we now have. It turns out that specialists have been found, in the Duma. They no longer have any work to do. They have already adopted all the laws. They have already built the entire legislative foundation underpinning the reforms, they have already fed the nation, and all that now remains for them to do is to prove themselves in Bosnia, this most complex knot.

"That is indeed why they are now demanding that Duma should gather for a session. Evidently they have no other cares in the world. Well, I simply want to say that they are ready and willing to jump right into the middle of this wave, so that we may be flattened by it and so that our foreign policy can bear really heavy costs, because in that eventuality Russia will be tossed between isolation and confrontation and whatever else we will have to do, I do not know."

[Svanidze] A Defense Ministry officer who failed to introduce himself today told ITAR-TASS that the explosion at the central market in Sarajevo, which sparked off the bombing raids, was prepared by Western special services. The Liberal Democratic Party of Russia, led by Vladimir Zhirinovskiy, proposes that the Baltic fleet warships should be sent to Dubrovnik. I do not know about you, but I personally like the idea. In the first place, it is closer to the Indian Ocean and, in the second place, Chechnya is relatively quiet, so it would not be a bad thing to pit one's strength against NATO troops, to dispel the boredom.

"Mladic has promised to react to the strikes if the bombing does not stop. Do you think he is bluffing?"

[Kozyrev] "Well, it is very difficult to say. You see, there surely must be limits to restraint and patience. Bosnian Serbs have repeatedly demonstrated their capacity for the most irresponsible of actions, generally speaking. After all, the scheme has been more or less this: Muslims launch small attacks, Serbs are patient for some time, only to come down like a ton of bricks, as they say — and then they without fail strike at the town center, using guns, so that there are victims and destruction, civilian casualties, and so on. Well, all this is shown on TV, because small Muslim sorties are no material for TV — but an explosion in the center of a town is. Here, incidentally, is an answer to your question. How is an impression formed? The kind of impression that is formed is that they are barbarians. Indeed, it is barbaric to fire at a town center, using guns at that, is that not the case?"

"However, what is lost from sight here is the fact that to some extent they were provoked into taking this step. The reason I say this is that you can expect anything there — a bloody and cruel war is being waged there and no one can predict its consequences.

"This is one of the reasons why we are all the time saying to NATO to stop, because they are playing with fire. They have failed to take account of the fact that the situation can altogether slip out of control, resulting in such escalation as can never be sorted out later."

[Svanidze] Everyone understands that no one will send any warships anywhere. That is why, fervent admirers of Bosnian Serbs can show off how fierce they are without any risks to anyone, until the elections. As for the foreign policy aspect, the situation appears to be a dead-end one for Yugoslavia, but not so very bad for us.

Of course, the NATO air force will squeeze the Bosnian Serbs, but it is hardly likely to force their surrender, since it will mean a political death for the Serbian leadership. The Russian diplomacy will find it possible for a long time yet to demonstrate how restrained it is in words, to bring both sides to reason, and generally to reap the benefits of its nonparticipation in the conflict. All the best.

[Kozyrev] "Incidentally, you will see that the settlement will be achieved precisely at the international summit conference proposed by President Yeltsin."

Lavrov Urges UN To Stop Action Against Serbs

LD0709071595 Moscow ITAR-TASS in English
0656 GMT 7 Sep 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS September 7 (Itar-Tass) — Russia has repeatedly demanded from the U.N. Security Council an immediate end to the NATO combat operation against Bosnian Serbs, Russian permanent envoy to the U.N. Sergey Lavrov said in an interview with Itar-Tass today.

He said the operation trespassed the council's own resolutions.

Russia again urged an end to the use of force in Bosnia-Herzegovina at today's consultative meeting of the Security Council, Lavrov said.

The Russian delegation argued that the NATO action was beyond the bounds of the Security Council's resolutions which define cases for the use of force in Bosnia-Herzegovina.

"This action violates numerous criteria set by the Security Council for the use of force and its being impartial and balanced towards any violator party (to the conflict)," Lavrov said.

He quoted the U.N. Secretariat as giving assurances to the Russian delegation to the U.N. to give answers to Russia's specific questions.

However, no answers have come so far, Lavrov said.

"At least what answers we hear from our Western counterparts so far do not persuade us that this NATO

action is in line with the resolutions of the Security Council," Lavrov said.

He said there had been no consultations with Russia which are envisioned to forerun the decision by Security Council members to resort to force.

Moreover, even information about developments in Bosnia is coming sporadically, and the U.N. Secretariat recognised it today, the envoy continued.

He quoted the Security Council chairman as stressing the need for daily reporting of Bosnia events to the Security Council.

Lavrov said the Russian delegation hoped for revival of peace efforts, with the International Contact Group and the Organisation of the Islamic Conference pressing for resumption of the peace process.

However, he said, the Russian delegation made it clear that the continuing NATO air strikes can impede the peace process rather than hasten it.

It is very difficult to follow the logic that the increasing use of force will motivate the hostile parties to settle down at the peace table, Lavrov said.

"There is evidence that the army of the Bosnian government is trying to exploit the present situation to gain military advantage," the diplomat said.

He quoted the U.N. Secretariat's report that the Bosnian army shelled some areas of Sarajevo.

NATO's ultimatum to Bosnian Serbs is in fact part of the earlier resolution which extended the mandate of U.N.'s peacekeepers in Bosnia.

The ultimatum's only difference from the resolution lies in that the resolution was addressed to all parties to the conflict, not only Bosnian Serbs, Lavrov said.

Russia sees this as evidence that NATO's ultimatum and the combat operation in Bosnia contravene the Security Council's stance.

"Regrettably, we have been the only speaker at the (Security) Council today. Other members of the Security Council were silent," Lavrov said.

Moscow To Press for Lifting Sanctions Against Belgrade

*LD0609193595 Moscow INTERFAX in English
1735 GMT 6 Sep 95*

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Sept 6 (Interfax) — Moscow will do its best to convince its partners in the Contact Group on Bosnia and in the United Nations that

the sanctions against Belgrade should be lifted, Mikhail Demurin, an official spokesman for the Russian Foreign Ministry, told Interfax Wednesday.

Demurin also said that Russia will press for streamlining the procedure of humanitarian aid to Serbia. In his words, much has been done along this line but much remains to be done before the winter sets in.

He emphasized that Belgrade's policy is now a constructive and very important factor leading to a peace settlement and that this factor has to be used to the full extent.

Demurin said that Belgrade is actively contributing to the settlement by putting pressure to bear on Bosnian Serbs. In his view, the world community should have reciprocated by gradually lifting the sanctions. This would be especially appropriate now that Belgrade heads the joint Serbian negotiating team, he argued.

Peacekeepers in Bosnia Said 'Relatively Safe'

*LD0609193495 Moscow INTERFAX in English
1857 GMT 6 Sep 95*

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Sept 6 (Interfax) — Russian peace-making battalions stationed in former Yugoslavia "are relatively safe." They have reported no loss of life, sources at the press service of the Russian Air Borne Troops told Interfax Wednesday.

Two Russian paratrooper battalions are stationed in former Yugoslavia. One is in the Sarajevo sector, Bosnia, and the other is in the East sector on the Croat-Yugoslav border.

The command of the Russian Air Borne Troops is preparing for regular replacement of the peace-makers, said the press service representative.

"Under the UN-approved plan, the Russian servicemen will be replaced after October 20, 1995," he added.

At the same time, "the command is drafting a plan for withdrawal of Russian peace-makers from the conflict zone. The final decision will be taken by the UN Security Council," said the military.

Moscow so far has not raised the withdrawal question, a top official from the Russian Foreign Ministry told Interfax Wednesday.

"What is more, the Russian proposal to send more peace-makers to the region remains valid," said the

diplomat. "The proposal is suspended because of the current regional situation."

"If the UN decides to withdraw its troops from Bosnia, Russian peace-makers will be withdrawn as well," noted the diplomat.

Iranian Minister Holds Talks With Leading Officials

Peaceful Nuclear Ties Stressed

LD0709091195 *Tehran IRNA in English*
0828 GMT 7 Sep 95

[FBIS Transcribed Text] Moscow, Sep 7 [IRNA] — Russian Deputy Foreign Minister for Political Affairs Aleksandr Chernyshev stressed Russia's cooperation with Iran in peaceful use of nuclear energy saying that his country stands firm in this regard and will not retreat from its position.

He made the remark in a meeting with the visiting Iranian Deputy Foreign Minister for International Affairs Mohammad Javad Zarif, here Tuesday.

During the meeting the two sides discussed regional and international issues of mutual interest.

Chernyshev underlined the importance of traditional relations between Iran and Russia and said the Iran-Russia Joint Economic Commission will be held in Tehran in the near future.

The Russian official said the Caspian Sea countries should decide on the legal regime for the sea in order to prevent plundering of its resources by foreign countries.

Zarif welcomed the promotion of bilateral relations and underscored the necessity for prompt determination of the legal regime of the Caspian Sea to create an atmosphere of confidence among the regional countries. Chernyshev underlined settlement of the Bosnian crisis through political means and Zarif declared Iran's readiness to cooperate with Russia to solve the plight peacefully.

Nuclear Nonproliferation Discussed

LD0609195695 *Moscow ITAR-TASS in English*
1949 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, September 6 (Itar-Tass) — Deputy Russian Foreign Minister Georgiy Mamedov met on Wednesday his Iranian counterpart Mohammad Javad Zarif for "constructive talks" on a wide range of issues concerning international security and stability, the Russian Foreign Ministry press centre said.

The press centre said Mamedov and Zarif focused on ways to increase the effectiveness of international non-proliferation regimes, primarily in the nuclear sphere.

At the same time, they pointed out that the right to access to nuclear energy for civilian uses provided for in the Non-Proliferation Treaty (NPT) for its members does not contradict these efforts.

The sides agreed to continue the dialogue on the subject in the future.

No 'Military Orientation' in Iran Nuclear Projects

MM0609191195 *Moscow IZVESTIYA (Financial Section) in Russian* 7 Sep 95 p 2

[Report by Aleksey Portanskiy: "First Nuclear Contract With Iran Designed to Run for 55 Months"]

[FBIS Translated Text] In the next few years Russia intends to implement two contracts for the construction of nuclear installations in Iran: To reconstruct a reactor unit whose construction was started by the FRG in 1973, supplying a Russian VVER-1000 water-cooled water-moderated reactor, and then supplying another two VVER-440 reactors, which will be assembled on the same site in Bushehr. This was announced by Ministry of Atomic Energy spokesmen.

The first contract, worth \$800 million, will come into force in October and must be performed within 55 months. Nuclear fuel for this AES [nuclear electric power station] will only be supplied in four and a half years' time. The second project will start being implemented only after work has begun on the first.

There are 26 power units built by us currently in operation abroad. Some, like for example the AES in Finland, are annually classed among the five best in the world on the basis of a range of parameters.

As for the complaints made to Moscow by Washington in connection with cooperating with Teheran in the nuclear sphere, then, as Mikhail Ryzhov, chairman of the Ministry of Atomic Energy Committee for International Cooperation, said, these were prompted exclusively by the desire to prevent a strong competitor like Russia from entering the world nuclear technology market.

In reality, the United States made the greatest contribution to the creation of a nuclear complex in Iran in the period of the Shah's regime. U.S., French, and German firms supplied the most up-to-date equipment to Tehran at that time, including computers which were subject to COCOM [Coordinating Committee for Multilateral Export Controls] restrictions for the USSR. And one of the three research reactors built by the United States was

designed for loading with highly enriched uranium, in other words it was the closest to military use. Today the Americans are forced to admit that no direct threat exists from the implementation of the Russian-Iranian projects. A most stringent IAEA [International Atomic Energy Agency] inspection has been conducted in Iran, which confirmed the lack of any military orientation in its nuclear installations.

Another example of the tough competition in the world cited by the Ministry of Atomic Energy spokesmen was the United States' participation, together with Japan and South Korea, in the building of an AES in North Korea after we had wound up our analogous project with Pyongyang, having completed a vast amount of preparatory work.

The Ministry of Atomic Energy has now received requests [zaprosy] for the construction of nuclear installations from China, India, Turkey, Pakistan, and Indonesia. For Russia, the continuation of international cooperation in this sphere is of critical importance. The present workload of "Atommash" stands at only 10-15 percent.

Iran Deal Called 'Normal Commercial Transaction'

AU0609130395 Paris AFP in English
1215 GMT 6 Sep 95

[By Catherine Triomphe]

[FBIS Transcribed Text] Moscow, Sept 6 (AFP) — Defying pressure from Washington to scrap a deal to supply nuclear technology to Iran, Russia announced Wednesday it had signed a contract to provide two more reactors for the Bushehr atomic power station.

Eduard Akopyan, an atomic energy ministry official, said the contract called for the delivery of two VVER-440 reactors to the site in southern Iran.

A first contract for a 1,000 Megawatt nuclear reactor worth almost a billion dollars was signed at the beginning of this year.

Ministry spokesman Georgiy Kaurov did not say how much the two 440 Megawatt reactors would cost.

The Bushehr project, signed in 1992, envisaged construction of three pressurised water reactors at a total cost of some two billion dollars.

The announcement Wednesday was proof of Moscow's determination to forge ahead with civilian nuclear cooperation despite pressure from Washington to cancel such deals.

So far US pressure has only had limited success. At their summit in May US President Bill Clinton persuaded Russian President Boris Yeltsin to cancel

delivery of a controversial gas centrifuge to Tehran which Washington said could be used to enrich uranium for nuclear weapons. But Yeltsin refused to abandon the rest of the planned sale, which included a civilian nuclear reactor.

Israeli Prime Minister Yitzhak Rabin has also voiced concern about the Russian plans. He plans to discuss the projects with Russian leaders during a visit to Moscow set for mid-September. ITAR-TASS news agency reported, citing diplomats.

But Russia has resisted such pressure, arguing that it needs the hard currency from high technology exports.

Kaurov told AFP the deal with Iran was "a normal commercial transaction."

He predicted that the United States would "make a fuss about it in any case because they have lost the Iranian market and do not want anybody else to beat them to contracts."

He said the sale of reactor technology did not breach the nuclear non-proliferation treaty and would not enable Iran to acquire nuclear weapons.

A Russian atomic energy delegation visited Iran at the end of August to discuss construction and financing arrangements for the first reactor at Bushehr on the Gulf.

But a diplomat here said Wednesday it could be premature to launch construction of the two additional reactors in view of Iran's payment difficulties.

"Unless the Russians are crazy they will wait to be paid for the first VVER-1000 reactor before launching work on these two reactors," the official said, adding that the work could take years.

Iran has agreed to pay 90 percent of the costs in hard currency, in installments, and the rest in various goods manufactured in Iran.

Some 15,000 Russian technicians and other experts will be involved in the construction of the plant, which will take four years to build.

It is partly equipped by the German company Siemens, which started the project during the reign of the shah but left it unfinished after the 1979 Islamic revolution.

According to the Russian atomic energy ministry, construction of the 1,000 Megawatt reactor is to start in October and deliveries of nuclear fuel from Russia are to start in 2001.

Kaurov said construction of the other two reactors could only start once the first reactor was operational.

Russia has also signed a letter of intent to build two reactors in China, which in turn plans to sell two 300 Megawatt reactors to Iran.

Akopyan, a ministry official in charge of nuclear construction projects abroad, said India, Pakistan, Egypt, Indonesia and Egypt were among other interested countries.

Reportage, Reaction to French Nuclear Test

Yeltsin Spokesman Condemns Action

LD0609124395 Moscow ITAR-TASS in English
1207 GMT 6 Sep 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, September 6 (Itar-Tass) — "Russia condemns a new French nuclear test at Mururoa Atoll", — Russian President Boris Yeltsin's press secretary Andrey Medvedev told reporters on Wednesday [6 September], adding that "the unilateral actions of France violate the nuclear balance settled in the world and contradict the common stance of (other) nuclear powers and the demands of the world public."

The press secretary did not exclude that Yeltsin will raise the question of new French nuclear tests during his telephone conversation with President Jacques Chirac.

Test Called Blow to Nonproliferation

LD0609123695 Moscow ITAR-TASS World Service
in Russian 1147 GMT 6 Sep 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — "The Ministry of Foreign Affairs of the Russian Federation expresses its profound regret that despite the serious concerns voiced by the entire world community, including the Russian Federation, France has still gone ahead with its planned nuclear testing scheduled for this year," says a statement from a Russian Foreign Ministry spokesman received by ITAR-TASS today.

The document says that the violation of the current moratorium by the four nuclear powers "strikes a serious blow to disarmament agreements and the reinforcement of procedures for the nonproliferation of mass destruction weapons achieved in recent times." The renewal of tests runs counter to the spirit of resolutions jointly agreed at the New York conference aiming at stopping all testing by all nuclear powers as quickly as possible. "All this certainly cannot fail to create additional aggravation of an already complex international situation," the statement by a spokesman for the Russian Foreign Ministry says.

Medvedev: Test Sets 'Bad Example'

LD0609191495 Moscow INTERFAX in English
1832 GMT 6 Sep 95

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin; from the "Presidential Bulletin" feature: No 170 (914)]

[FBIS Transcribed Text] Russia denounces the French nuclear blast at the Mururoa Atoll and believes that such unilateral steps on the part of Paris violate the current nuclear balance in the world, Russian presidential press secretary Sergey Medvedev said at a press conference in Moscow Wednesday.

These actions, he said, "run counter to the nuclear powers' common stand and to the world community's demands."

According to him, there are all the grounds to believe that "later France will be guided by the principles of international law and will proceed from the understanding that such steps may upset the nuclear balance in the world and escalate "nuclear arms build-up" not only in the countries which own such weapons, but also in those which are seeking to possess them.

"In this case France shows a bad example, and I don't think this example should be followed," said Medvedev.

Meanwhile, well-informed quarters in the Kremlin did not rule out, in an interview with Interfax, that Russian President Yeltsin and President Jacques Chirac of France would have a telephone conversation on Wednesday.

He also quoted Boris Yeltsin at the meeting with Spanish Prime Minister Felipe Gonzalez as saying that he did not approve NATO air strikes in the former Yugoslavia. Gonzalez for his part voiced regret concerning the strikes, noting, however, that "this was inevitable."

Duma Chairman Deplores Test

LD0609182095 Moscow INTERFAX in English
1627 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, SEPT 6 (Interfax) — The French nuclear test in the Mururoa atoll is a cause of regret, Vladimir Lukin, chairman of the State Duma Foreign Affairs Committee, said at a news conference Wednesday.

"I don't think that France would become a third-rate nuclear power if these tests were not held and I am confident that there are other ways to maintain the French nuclear potential," Lukin said.

In his view, French officials have showed obstinacy which could be put to a better use.

Lukin supported Russia, the U.S. and Britain, the three nuclear countries which, unlike China and France continue the moratorium on nuclear tests.

Moscow Will Not Infringe Nuclear Moratorium

*LD0609122295 Moscow INFORMATSIONNOYE
AGENTSTVO EKHO MOSKVY in Russian
1100 GMT 6 Sep 95*

[FBIS Translated Text] "The main thing about the Mururoa atoll test is the political, not the ecological consequences, Aleksey Yablokov, chairman of the Russian Federation Security Council interdepartmental commission for ecological safety, told Moscow Echo radio. Although underground explosions are not as harmless and inoffensive for the environment as people long tried to prove."

"Now nuclear and military circles will start piling on the pressure for Russia to follow France's lead and carry out a number of nuclear explosions, which will constitute a serious danger," Yablokov believes.

However, "Russia does not intend to infringe the moratorium and carry out tests before the United States does," a well-informed source in the Russian Defense Ministry told Moscow Echo radio station. He considered an explosion of 20 kilotons to be wholly sufficient both to raise the security of France's nuclear arsenals, and to improve nuclear weapons. Furthermore, "our French colleagues would enjoy greater confidence if they invited international observers."

Moscow Proposes Scrapping Defense Treaty With DPRK

*LD0709111795 Moscow ITAR-TASS in English
1104 GMT 7 Sep 95*

[By Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW September 7 (Itar-Tass) — The Russian Foreign Ministry officially announced Thursday that Moscow had proposed to North Korea to scrap the 1961 Soviet treaty with Pyongyang, which committed Moscow to come to the defence of North Korea in case of a military attack, and to sign a new friendship agreement instead.

Nikita Matkovskiy, spokesman of the Russian Foreign ministry, told Tass Thursday the text of the new treaty had been handed over to the North Korean side.

Informed sources in the ministry told Tass the "draft new treaty on the basics of friendly relations has no provision on military assistance between Moscow and

Pyongyang in case any of the parties becomes an object of an armed attack".

The provision was a key element of the 1961 treaty on friendship, cooperation and mutual assistance which Russia inherited from the Soviet Union.

The 1961 treaty with the Democratic People's Republic of Korea (DPRK) was automatically renewed every five years and was due for renewal on September 10, 1996.

But the "Russian side informed the Korean side that the treaty, which had played its role in the history of relations between the two countries, has become outdated because of well-known objective circumstances and does not correspond to new realities in Russia, in Russian-Korean relations and in North-Eastern Asia", the Russian Foreign ministry representative said in a statement.

"The Korean side expressed an opinion that the treaty is actually not working", he added.

"The Russian side, attributing great importance to the development of good-neighbourly relations with the DPRK on the basis of new principles which meet the interests of both countries and peoples, and guided by the intention to improve and strengthen with this aim the legal basis of relations, proposed to conclude a new treaty - the Treaty on the basics of friendly relations between the Russian Federation and the DPRK.

"The Korean side expressed readiness to consider the Russian draft of such a treaty", the representative said adding that the draft was handed over a month ago.

"The Russian side proceeds from the fact that the signing of such a treaty will allow to bring relations between the Russian Federation and the DPRK to a new level, promoting their development in all directions, as well as making a considerable contribution to ensuring the solution of the Korean peninsula problem on the path of a peaceful, democratic process", the statement said.

Ministry Refutes Plan To Cancel Treaty

*LD0709140595 Moscow INTERFAX in English
1232 GMT 7 Sep 95*

[FBIS Transcribed Text] MOSCOW, Sept 7 (Interfax) — Moscow has no intention of cancelling the treaty on friendship and cooperation signed between the Soviet Union and North Korea, a senior member of Russia's Foreign Ministry told Interfax on Thursday.

Reports on such intentions were published by some Western periodicals.

"The treaty expires in the near future, and if none of the signatories proclaims the desire to cancel it, the treaty will be automatically prolonged for another five years," the diplomat explained.

Russia has no intention of proclaiming such desire, the source pointed out.

The treaty will undergo no changes. This relates to the article concerning military aid in case of aggression, he stressed.

"This is not accepted in international practice," the official explained. "A treaty is either prolonged in the shape it was signed, or gets cancelled, to be signed once again in an amended shape, if necessary. But it is not admissible to amend the existing, including prolonged, documents."

Armaments Official Denies Tank Sales to Iraq

LD0609163095 Moscow Radiostantsiya Ekho Moskvyy in Russian 1500 GMT 6 Sep 95

[FBIS Translated Text] General Husayn Kamil Hasan, Saddam Husayn's son in law who recently fled to

Jordan, has made a sensational statement that Russia is to supply Iraq with 4,000 tanks in violation of the sanctions imposed on Iraq by the world community. This report circulated by the France Press Agency has been denied by Valeriy Pogrebenkov, a spokesman of the Rosvooruzheniye [Russian armaments] company.

[Begin Pogrebenkov recording] As far as concerns the activities of state companies, I can state that our state company strictly upholds the principle of the embargo against Iraq. And naturally there have been no other reports of official enquiries from Iraq. Therefore, I would like to stress once again that, as long as the principle of the observation of the embargo remains in place, our state company does not have any relations with that country in the sphere of military equipment cooperation at the present moment. [end recording]

Valeriy Pogrebenkov also stated that he did not think it possible that such a quantity of tanks could be purchased via private structures. Moreover, the spokesman of Rosvooruzheniye said one could hardly find such a quantity of tanks in the Russian Army.

Political Issues**Yeltsin Addresses Academy of Civil Service**

LD0609222295 Moscow Russian Public Television
First Channel Network in Russian
1740 GMT 6 Sep 95

[Report by correspondent Vladimir Polozhentsev on a speech by President Boris Yeltsin to lecturers and students at the Russian Civil Service Academy in Moscow on 6 September — Yeltsin's remarks recorded]

[FBIS Translated Text] [Polozhentsev] Aleksey Yemelyanov, rector of the academy, opened the meeting and thanked the president for the fact that it was precisely the president who set up the Civil Service Academy and for the fact that today he honored with his presence a meeting devoted to the start of the academic year.

Staff from legislative bodies, the government, the presidential administration, and representatives of Moscow state authorities have also been invited to attend the meeting.

Boris Yeltsin greeted the academy's professors, lecturers, and students on the occasion of the start of a new academic year. He noted that currently we all had to learn, scientists and people engaged in practical implementation alike, to intensify efforts aimed at strengthening a democratic Russian state.

The forming of an effective and capable civil service is one of the central platforms of this work. This service developed in Russia over a thousand years. The ancient Russian princes Vladimir the Great and Vladimir Monomakh were at the inception of this service. Peter the Great and Catherine II and the 19th century's major reformer Aleksandr II, as well as such outstanding politicians as Speranskiy, Stolypin, and many others, made a great contribution to this cause.

[Yeltsin] Is it now legitimate, after everything that has been experienced, to raise again, for the umpteenth time, the issue of a radical renewal of civil service personnel, policies? I am convinced that the answer is yes. Any transformations are doomed to fail if the apparatus of state power fails to reform itself at the same time. This truth is of a vitally important, foremost significance for our country.

[Polozhentsev] However, the entire system of civil service was fully destroyed in October 1917. The setting up of a principally different system, based on an ideological and political diktat, began upon the ruins of the Russian statehood. Not only were the previous institutions of state and traditions that had taken centuries to form destroyed, but many bearers

of these traditions, Russian civil servants, were also destroyed.

[Yeltsin] Having fully exhausted itself, having grown decrepit, and having lost their ability to rule the country, it died a natural death. However, millions of civil servants remained. After August 1991, at a critical juncture for the Russian statehood, we consciously refrained from personnel reshuffles. This is precisely why the state did not go over the brink into anarchy and chaos. This is precisely why all its life support systems continued to function without any interruptions whatsoever. I have said this many times, but will say it again — this was to a large extent thanks to the previous personnel who, during this critical period, continued to carry out their duties.

[Polozhentsev] More than a half of the state apparatus of the federal bodies was replaced in 1992 and 1993, with the regional figure being approximately a third. Many of the latest recruits into the civil service managed to take an active part in socio-political life, in publishing, as deputies. There were scientists and production people among them — but quite a number of rally-type activists found their way into the service on the crest of this wave. Often they were propelled into the work in the civil service without the necessary procedures and regulations being observed, or without account being taken of professional qualifications to take up their new positions.

[Yeltsin] One cannot but acknowledge the fact that some of the people who have joined the civil service have turned out to be unstable in the face of the well-known temptations of power. On the whole the civil service and the personnel situation in the country continues to be in a state of crisis. The consequences of this are being manifested in virtually all spheres of life — in the economy, finance, and banking; in tackling social issues, science, culture, defence, security, inter-ethnic policy, and so on. Society is suffering more and more acutely from the direct non-fulfillment or violation of laws, decrees, and decisions by state bodies and officials. We are being literally destroyed by our inability to analyze the state of affairs in a professional way and to anticipate negative trends, and even more by our inability to organize matters and to monitor the implementation of measures and programmes that are being adopted.

[Polozhentsev] A lack of coordination of the activities of various subdivisions of the apparatus has also deeply infiltrated into administration. The country has changed, it has become different, but we continue to run this new Russia in the old way, the president stressed.

[Yeltsin] We must switch as quickly as possible to a new model of state administration. The art of state ad-

ministration is in not forgetting about national priorities in the whirl of immediate concerns. We face an unprecedented variety of urgent problems. The solving of each of them requires considerable resources, but they are not limitless. We will extricate the country from the crisis if we use them skilfully. Whatever the cost we must even now seek out opportunities to solve tasks that are strategically significant for the country's development. The pivotal one of these is to provide the protection of the security of the Russian citizen, society, and state. It should be acknowledged that over the decades this task has been seen as purely a military and foreign policy matter. But the modern-day concept of security goes far beyond these bounds. The main threats to the country and its citizens today are of not so much an external but an internal nature. They lie in the sphere of the economy, ecology, health, education, science, and information. Haven't organized crime, vanishing spiritual values, especially among the young, and, finally, the marked collapse of family traditions become a threat?

A country cannot be a great power if it does not set itself the aim of ensuring a dignified quality of life for its citizens and if it does not strive to implement this aim. Every civil servant, no matter what his sphere of activity, should understand that the main priority of Russian policy is to improve the quality of life of its citizens.

Of decisive importance for implementing this policy is the successful conducting of the economic reforms and the construction of a genuinely democratic state. This is a *sine qua non* for ensuring the rights and liberties of the people of Russia and their prosperity and well-being. To achieve all of this it is essential also to make changes in the civil service.

[Polozhentsev] Business structures are trying to take bureaucrats onto their payroll. The degree of corruption within the state apparatus is growing. There is no system for attracting young people into the civil service in a consistent and organized way. The result of all of this is well-known — a decline in the efficiency of work. The president said that the method of trial and error that is widespread at present should disappear into the past. The time has come for scientifically based decisions and positive work to manage the state in a scientific manner.

[Yeltsin] I regard it as very important to create a legal basis for the civil service. The first steps have already been made in this direction. The statute on the federal civil service was confirmed by presidential decree. A council for personnel policy has been set up under the president of Russia. A register of state posts and federal civil servants has been elaborated and confirmed. The president and the government have adopted a number

of acts on retraining and raising the qualifications of civil servants. A draft law on the federal civil service has been prepared; it is intended to put it forward to the State Duma as a legislative initiative.

The law on the foundations of the civil service of the Russian Federation recently came into force. I am aware that there are varying opinions about these foundations among scholars and among the managers and workers in various structures of power; among the old formations and the new generation, too, opinions vary. I am aware that this law does not reflect many of the measures that are extremely necessary to establish the civil service in Russia. But I think you will agree that in this sphere at present it is better to have a law that is not totally perfect rather than no law at all. I consider that to develop this law further it is necessary to adopt a number of edicts. A large proportion of the deficiencies in this law will thus be made good.

I approved a plan today for drawing up appropriate normative acts and other documents. A decision has been taken to set up a council under the president for affairs of civil service. But legal provisions are only one aspect of the transformations. They cannot resolve all the problems.

[Polozhentsev] In Boris Yeltsin's words, the main problem is that there is still no orderly system of civil service. There is no clear division of functions between various power branches both at federal and regional levels. There is no well-founded vertical division of powers between the federal level and the component parts of the federation. In the past, as one knows, this division was founded on the unlimited power of the center. During the breakup of the old system many regions tried to reverse everything. They swung to another extreme and a disintegration process began. The situation was aggravating. Major contradictions between the center and the regions emerged. These contradictions have not yet been fully resolved. However, the current situation has noticeably changed.

[Yeltsin] From confrontation in the past we are moving more and more toward jointly seeking mutually advantageous and well-balanced solutions between the center and the regions. They are under way and they are successful. Moreover, the regions are actively participating in them. Unfortunately, optimal options have not yet been found and without your help it is unlikely they will be found. Responsibilities of civil servants at each level have not been clearly defined. All this creates duplication and inflated personnel both in the capital and in the regions.

The personnel situation and the management policy in the "power" structures is of particular importance. For

a long time this was a closed subject. The "power" departments themselves were dealing with it. Now the situation is changing. I think one should go ahead, establish necessary contacts and resolve the issues that have accumulated by joint efforts.

And there are such issues. I have recently visited the Interior Ministry, met its management, and criticized them for the fact that there are fewer and fewer police officers involved in operational work while there are more and more officers involved in paper work. To date, 1,600,000 people have been qualified and only 250,000 are involved in dealing directly with people. Such is the difference.

It is with good reason that the law is entitled "on the general principles." The law has established only the outlines and the basic guarantees for local self-management. By the way, this work took nearly two years. Very complicated work still remains to be done to give specific form to the legislative norms and to work out model charters for towns, villages, and other municipal formations. Here there is a huge field for creative work for the scientists of the academy, including its regional structures.

[Polozhentsev] Here is one more problem: the majority of civil servants do not continue their professional education, and only one-third have been retrained at courses to raise their qualifications.

[Yeltsin] We need incentives that would induce the employees of the state apparatus to raise their qualifications. We should consider the education of civil servants not as a source of additional expenditures but as one of the most important types of state investments. The influx of new people into the civil service is one of the most important issues for its development. We urgently need an effective, comprehensive method of recruiting the most qualified experts. However, this is not enough. We are evidently short of professional managers who are consistently immune to the numerous temptations of power. I am confident that there are such people in Russia and there are a lot of them. However, one should actively look for them and provide them with opportunities for professional development. How are we to look for them and find them and how are we to make them interested in the working for the civil service? It is your direct task to work on this.

[Polozhentsev] Civil servants are considerably less familiar with such ugly phenomena as delays in the payment of wages. This cannot be said about the other employees of the budget sphere, and lately about pensioners.

[Yeltsin] It is not a secret for anyone that for those who work in the bodies of the state power it is much easier and quicker to get a flat, moreover a good one. There is considerably better provision of medical services, health resort facilities and dachas. Take a look at how scientists and military men in Russia are provided with these things. You will find out that they are practically not provided at all. Not to mention that in any town, even the smallest, one of the best, modern, and well-appointed buildings will not be a school, higher educational establishment, academy, hospital, university, or museum, but the administration building. The working conditions of administrative workers is considerably better. I think that the question on the social situation of civil servants should be raised only taking closely into account the living conditions of the rest of the country and its citizens, whom the civil service is called upon to serve honestly and conscientiously. I ask you not to forget this.

At the same time, there are considerable problems with the social security of civil servants. I consider abnormal and even ugly the huge differentiation between incomes that has come about among employees in the state bodies. I stress that it is not a question of differences in wages but of differences in incomes, including so-called "money on the side," which is prohibited by law. I think it is understood that I am not speaking about all civil servants, but while this problem exists the reputation of the honest official and the whole civil service and the authority will remain under threat. I do not believe that order cannot be imposed here. This work is simply not being properly carried out at the moment. At times one gets the impression that the man-in-the street knows more about shameful violations in this sphere than those bodies that are supposed to be dealing with these violations.

Another problem is the discrepancy in the wages of employees of different departments. Why is it that in some state departments allowances are several times higher than in others, and for the same work? Whose purpose does this serve? I am sure it is not the majority of civil servants. It is time to tackle this extremely neglected problem, too.

As I have already said, the provision of social benefits for civil servants is higher than that of other categories of workers in the state sector. But how are they distributed? Doesn't it often happen that those who are best provided for are the yes-men, the hypocrites, the bootlickers, and finally those who can offer a more expensive gift? Doesn't it often happen that everything depends on the arbitrariness and petty tyranny of the boss, when personnel are split into favorites, their own and someone else's? How can one talk about serious

work, creativity, human morals, and dignity here? All this is not some scene from Saltykov-Shchedrin but our real life. Civil servants today are extremely poorly protected from such phenomena. At the same time, it is precisely in them where lie the roots of the degeneration and alienation of the authorities from the citizens, from the people. And you cannot get rid of them just by formally increasing wages. All these are not just social problems, but moral and organizational problems of our civil service. They demand your close attention, too. We must break down these ancient traditions. This is first and foremost a task for the state bodies themselves, but the academies also have no right to ignore them.

[Polozhentsev] The academies have great scientific potential, Boris Yeltsin said in conclusion. But it is at present being poorly utilized in working out and preparing state documents and in preparing proposals and memoranda for the country's leadership. Meanwhile, such interaction could bring immense mutual benefit. It is only by joint efforts and joint creative work that we can set a most complex matter in motion — the building of a new civil service system that would meet Russia's interests at the end of the twentieth century, Boris Yeltsin stressed.

[Yeltsin] Esteemed participants in this meeting, colleagues. The world is standing on the threshold of the 21st century. For Russia this historic boundary has turned out to be a turning point in its internal fate, too. Our duty to past and future generations is to do everything possible to ensure that our country enters the new century renewed and flourishing.

I wish success to you all on this difficult but noble path. I congratulate you once again, dear friends, on the new academic year. Thank you. [applause]

Further on Yeltsin Address

LD0609144095 Moscow Russian Television Network
in Russian 1300 GMT 6 Sep 95

[Video report by L. Panova; from the "Vesti" newscast presented by Yevgeniy Piskunov]

[FBIS Translated Text] Despite his busy working schedule, President Yeltsin today found time to meet the lecturers and students of the Civil Service Academy.

[Correspondent L. Panova] In Moscow today Boris Yeltsin spoke to the lecturers and students of the Civil Service Academy under the President of the Russian Federation.

[Begin Yeltsin recording] [video shows Yeltsin at podium] Esteemed participants in the meeting, or as the academy rector put it, my children! [laughter, applause] [end recording]

[Panova] According to the rector, Academician Aleksey Yemelyanov, the fact that the president has visited the academy he himself established is further evidence of the significance attached to the civil service by the country's leadership. Any transformations, the Russian president believes, are doomed to failure unless the state power apparatus is reformed at the same time. And although in 1992-93 over half the state apparatus in the federal bodies, and about one-third in the regions, was replaced, the civil service in general is still, according to the president, in a profound state of crisis. In Boris Yeltsin's words, Russia is literally being destroyed by the inability to analyze conditions professionally, to make forecasts, and most importantly, to organize things and to supervise the implementation of the measures and programs adopted.

[Begin Yeltsin recording] We are clearly short of professional leaders with a steady immunity to numerous temptations of power. I am convinced that people of this sort do exist in Russia, and they are not few in number, by they have to be actively sought and given every opportunity to raise their professional level. [end recording]

[Panova] The president believes the style of work has to be changed, and therefore a transition to a new model for governing the state is necessary. Authorities at the federal and regional levels have to change their policies on relations with enterprises and renounce direct pressure methods. This, obviously, would require new cadres among the civil servants. Great hopes are pinned in this connection on the academy.

[Begin Yeltsin recording] Civil service needs profound changes, but this does not at all mean reorganizing the Civil Service Academy. There will be no reorganization, so you can stop whispering about it among yourselves. [laughter, applause] And your rector is going to stay too. [laughter, applause] [end recording]

Yeltsin Urges 'Simultaneous Reform'

LD0609191895 Moscow INTERFAX in English
1641 GMT 6 Sep 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] "Any transformations in society are doomed to failure without a simultaneous reform of the state machinery," Russian President Boris Yeltsin told a meeting at the Public Service Academy in Moscow Wednesday.

Boris Yeltsin said "the creation of an essentially new state system based on ideological and political dictate" started in 1917 on remains of the Russian statehood. "This system had its ups and downs, but it followed

a vicious rule: the more cruelty, violence and arbitrary rule, the more noticeable the result," said Yeltsin. The party-Soviets system did not have a chance to be efficient, and its collapse was natural, he noted.

After that the Russian authorities "deliberately refrained major personnel reshuffling," said Yeltsin. This was the reason that the country was kept "from anarchy and chaos and enabled it to continue without interruption, thanks to the people who continued to fulfill their duties in the critical period."

The Russian authorities "had to put up" with the fact that most of its machinery was in open and "even irreconcilable opposition, civil servants were raised by the cruel and inert system, and some of them were light-fingered. However, at that time there was nobody to replace the incompetent staffers."

According to the president, "federal bodies' personnel was renewed by more than a half in 1992-1993, while the personnel of regional bodies was renewed by one third. However, one has to understand that this wave brought many fake activists to public service, some civil servants were nominated by evading procedures and requirements without due account being taken of their professional training. One must admit that some people admitted to public service yielded to power temptations."

Today Russia is affected by "inability to subject the situation to a professional analysis, prevent negative tendencies, organize and control the fulfillment of programs and measures," said Yeltsin.

According to him, the bureaucratic machinery "feels it is not controlled, and tries to subordinate state interests to its selfish ones." New negative phenomena and tendencies have appeared. "Businesses are trying to maintain officials, and the machinery becomes corrupted," said the president.

He called a stop to contradictions between the federal authorities and regions. "Disintegration has started in some Russian regions. The situation is aggravating, and major differences between the center and the regions has become evident." Yeltsin lamented that "no optimum ways to settle the problem have been found."

The state head regrets "we are lacking professionals, leaders who have a strong immunity to the many temptations of power."

He supported the idea of alternative candidates being nominated to state posts, and systematic replacement of heads of federal and regional state structures.

Yeltsin Signs Edict on Work of Civil Service

LD0609213995 Moscow ITAR-TASS World Service in Russian 1242 GMT 6 Sep 95

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — Russian President Boris Yeltsin today signed a edict "on priority measures to improve work with personnel in the civil service system and the implementation of the federal law 'on the basis of the Russian civil service'. The presidential press service informed ITAR-TASS of this.

By this edict the president has endorsed a plan of priority measures to improve work with personnel in the civil service system. It has been proposed that the Russian president's state-law administration introduce presidential normative acts in accordance with the federal law "on the basis of the Russian civil service." Boris Yeltsin has instructed the council for personnel policy under the Russian president to present in the shortest possible time proposals on the formation of a council for civil service questions.

Yeltsin Decree Issues Gold-Guaranteed Securities

LD0609094095 Moscow ITAR-TASS in English 0852 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW September 6 (ITAR-TASS) — President Boris Yeltsin offered a new investment for Russians by signing a decree called "On the issue of state securities guaranteed by gold", his press service said Wednesday.

The document orders the Russian state committee for precious metals and stones to deposit gold at the State fund of precious metals and stones in the amount equal to the actual sales of the securities, but not more than 30 tonnes.

The decree says the total securities value should not exceed the top limit of the internal state debt fixed in the 1995 budget.

The government was given one month to work out the procedure for the settlement of gold bar deals by citizens.

Filatov on Security, Secrecy Procedures

MM0609141095 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 59, 3-10 Sep 95 p2

[Interview with Sergey Filatov, presidential chief of staff, by Lyudmila Telen under the "Details" rubric; place and date not given: "How Kremlin Secrets Should

Be Kept" — first two paragraphs are MOSKOVSKIYE NOVOSTI introduction]

[FBIS Translated Text] MOSKOVSKIYE NOVOSTI reported in its issue No. 54 on new instructions on retaining personnel drawn up in the Presidential Staff.

"Civil rights and the interests of the special services have clashed on Kremlin territory," our newspaper wrote, commenting on the document defining the procedure for giving access to state secrets. After the publication Sergey Filatov called MOSKOVSKIYE NOVOSTI: "Many of the complaints made by your newspaper are justified. We have made appropriate changes to the documents." MOSKOVSKIYE NOVOSTI observer Lyudmila Telen asked Sergey Filatov to spell out his stance in more detail.

[Telen] Why did the question of giving [Presidential] Staff personnel access to state secrets arise precisely at this stage?

[Filatov] It arose much earlier. Until recently, however, the presidential apparatus was at the stage of organization and, frankly speaking, we have had no time to attend to this problem. Democratic reform has definitively dismantled the old procedure. And good riddance. But no new procedure has emerged in its place. As a result, leaks have become commonplace with us. You must agree, this could not be tolerated.

[Telen] For this reason you decided to make Staff personnel sign a standard contract, which specifies the conditions on which they will be given access to state secrets....

[Filatov] Strictly speaking, it was the special services' initiative. About a year ago they suggested that all Staff personnel sign a document, not the contract we are discussing, but one that was much more stringent.

[Telen] All, including you?

[Filatov] Including me.

[Telen] Did you sign it?

[Filatov] No, because I thought that this document was at odds with the Law on State Secrets and the Constitution. I was not opposed to the aim of introducing a certain procedure as such, however. It is then that I issued a directive that our own draft be drawn up by the Presidential Staff.

[Telen] But it, too, turned out to be very vulnerable in terms of respect for civil rights.

[Filatov] That is overstating the case. The thing is that the provisions of the document that MOSKOVSKIYE NOVOSTI criticized are in line with the provisions of the Law on State Secrets. Unfortunately, the authors

of the publication do not appear to have read the law itself. But the law stipulates, among other things, that the fact that one has relatives living abroad may constitute grounds for refusing access. The same law stipulates that a person who has access to state secrets may be restricted in traveling abroad.

[Telen] But you took these provisions out of the contract yourself, didn't you?

[Filatov] Yes, we did, for the following reason. Mind you, the law says "may constitute grounds," not "constitutes grounds." The bureaucrats who drew up the document were clearly overzealous. I am sure such stringent rules should not be applied to Staff personnel. These provisions were removed from the document.

[Telen] But do you think the document itself is necessary?

[Filatov] Unfortunately, leaks, including those of information that constitutes state secrets, continue. One of the latest examples is the publication by ZAVTRA of materials relating to misappropriations in the trade in precious stones. The audit was carried out by the Presidential Control Administration, and its results were for understandable reasons classified. We had to launch an office probe.

[Telen] Any results?

[Filatov] Unfortunately, we could not find those responsible in this or any other similar cases.

[Telen] Won't the introduction of the new procedure be seen as an expression of distrust?

[Filatov] Under the law, work with state secrets is a voluntary business. But if a civil servant has chosen this sphere of activity, he should assume certain obligations set forth in a contract. Under the Constitution, it should be recalled, no one has the right to require from anyone information on one's private life. Only a civil servant dealing with state secrets can himself limit his rights by allowing a check on information concerning his private life while papers required for issuing him a permit are being collected.

So as not to make this procedure too painful, it is proposed that a procedure be introduced whereby only those signing up for the first time must sign the contract. Those who are already on the payroll will have to sign the contract only in case of promotion.

[Telen] The question is whether the special services accept your proposal. They appear to be softening the Kremlin rules, though. For the first time during a long period I managed to come to you without an escort by

security service officers. Was it you who insisted that journalists be saved this oversight?

[Filatov] No. That procedure was both introduced and abolished without my being involved.

[Telen] Your colleagues have expressed fears that their offices are bugged. Have you managed to receive convincing refutations from the special services?

[Filatov] It seems to me that there must be legal and technical procedures that would guarantee compliance with legislation in this regard. Alas, they are currently nonexistent.

[Telen] But this is, partly, your own wish. Because, since recently, the security service is part of your Staff.

[Filatov] This cohabitation, to a certain extent, exists only technically.

[Telen] Then did it make any sense to carry out this reorganization?

[Filatov] Hard to say. It was not carried out at my initiative and involved breaches of the technology of drawing up documents of this sort.

[Telen] Still, what is the current pattern of your relations with the Kremlin special services? How, for instance, was the decision made that the chief of staff will no longer have security guards?

[Filatov] The nature of our relations has not changed. As for the decision regarding my security, I learned about it while on vacation.

[Telen] Have you been advised of the reasons?

[Filatov] No, I haven't.

Kozyrev on Zhirinovskiy, Bosnia, Elections
MM0609133895 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 6 Sep 95 pp 1,3

[Interview with Foreign Minister Andrey Kozyrev by Yelena Ovcharenko; place and date not given: "On What Does Minister Kozyrev Spend His Travel Expenses?"]

[FBIS Translated Text] [Ovcharenko] Andrey Vladimirovich, yesterday saw the second session of the trial in which you are the defendant and the leader of the Liberal Democratic Party of Russia [LDPR] is the plaintiff. What do you hope to achieve in this legal dispute?

[Kozyrev] Mr. Zhirinovskiy has taken me to court under Article 7 of the Russian Federation Civil Code ("dissemination of information defamatory to a person's honor and dignity") on the grounds that in the TV program Itogi on 23 January 1994 I attributed the

words "Russians supreme" [russkiye prevyshe vsego] to him and most importantly used those words to conclude that Zhirinovskiy is a "fascist" and preaches "fascism." In fact in that interview I used the following words: "...when my Duma colleague Vladimir Volfovich Zhirinovskiy says such things this is the neoimperialism pure and simple or, if you like, fascism. Because he is saying that we will reduce everyone to a state of dependency again and the Russians...will be supreme [prevyshe vseh]."

I attended the first session out of respect for the court and it was only work which stopped me attending the second session.

I still believe that the plaintiff's views are a set of fascist views. The fact that the plaintiff misquotes my words is, in my view, the LDPR leader's hallmark: He is attributing to me something which I did not say and that is a contempt of court. Furthermore, he himself hasn't even been in the court.

At the first session I presented eight main arguments and several more subsidiary arguments, one of which was that Zhirinovskiy's very attempt to resolve a political question by legal means or, to be precise, to ban an individual — in this case me — from expressing his opinion is unconstitutional. Second, this method is clearly symptomatic of the fascist character of his whole ideology. The fascists also began with litigation — in Germany and Italy. This happened under our totalitarian system too. First they told people how they should not address the leader [vozhd]. Then what they could call him: The fuhrer, il duce, or the father of the peoples, and nothing else. The law suit itself is evidence of a totalitarian approach. He is using a state institution instead of conducting a political polemic in the appropriate place: in the Duma, at a rally, or on television.... Essentially Zhirinovskiy is trying to turn the state into an instrument of political censorship, having already succeeded in getting Gaydar fined.

The court, on the other hand, is clearly in a difficult position because in our country there is a law which can be interpreted in two ways. That is why we appealed to the Constitutional Court in the hope that it would clarify the law.

[Ovcharenko] In other words, you are seeking an interpretation which would distinguish between the divulging of factual information and the freedom to express an opinion in accordance with the Constitution?

[Kozyrev] Yes, so that the law does not contravene the Constitution. I believe that this task is feasible. Then it will be easier for the courts to settle such disputes. To the best of my knowledge, a subtle distinction of

this kind exists in foreign countries. An opinion is not a matter for the court to deal with.

[Ovcharenko] Who is defending Citizen Kozyrev?

[Kozyrev] I have hired an attorney. And I am paying the bill myself.

[Ovcharenko] How much will you have to pay him?

[Kozyrev] Not him personally but a team of lawyers and it will be a substantial sum. Roughly the equivalent of \$1,000. Think of it this way: This is how I am spending my travel expenses for a few business trips. But now look at the case a different way. A lawyer costs money. But supposing they fine me anyway? This is the situation: If the court fined Gaydar, someone the whole country knows, and fines me, what should the ordinary citizen do? Naturally they will ask: Is it possible to say anything bad about Zhirinovskiy? I regard this as a mechanism of intimidation.

[Ovcharenko] Your opponents consider that the NATO bombing raids, carried out on the Bosnian Serbs in disregard of our country's views, cannot be described as anything other than a failure for Russian diplomacy. Are you prepared to argue with your critics?

[Kozyrev] Well, you cannot describe these bombing raids as a success. Nor would I describe them as a success for NATO or the United States. There are as yet no winners or a victorious side. But the hysterical reaction to the situation by a section of public opinion here is simply staggering. As soon as it sees NATO involvement in something or the U.S. deputy secretary of state going to the region — this means that we no longer have any presence there! It is simply suffering from an inferiority complex.

Why is it that when we go to the Balkans or Milosevic comes here, there is no such panic in America — do they say that settlement of the situation has been completely entrusted to Moscow?! A Croatian minister and the Bosnian premier have been here — we are continually contacting all the sides and putting forward plans for a settlement. What is the point of the panic when this most complex of processes is continuing? Look again at the Russian Federation president's statement, and you will see that matters are taking the course it stipulated. Is a meeting of the three republics' presidents necessary? A meeting of the "troika's" foreign ministers is being discussed now. But this is after all a step toward a meeting between the three presidents. The statement also says that it is necessary to hold an international conference. It is to this specific end that all efforts are being made, and it may take place as early as October.

A most complex process is in progress, whereby neither the West without us nor we without the West can resolve anything. Only by increasing our efforts, can we achieve a result. We are one of the leading violins in this orchestra. Everyone realizes and admits this.

So now why are NATO and the United Nations carrying out air strikes? The first reason is that UN experts, and there are no other objective observers in the conflict zone, pronounced the unequivocal verdict — whether they were right or not, I do not know — that the attack on the market in Sarajevo was carried out from Serb positions. Second, the UN command demanded that heavy weaponry be removed from these areas. This was an old demand which became more urgent in view of the attack. For when civilians perish before the eyes of the United Nations in a "safe area," the question arises as to what the "blue helmets" are doing there. Therefore, the United Nations reacts in this way, demanding that a stop be put to this. The United Nations invited in NATO. Is this a defeat for us? I do not think so. These are the methods the UN command resorts to. We express our point of view, as we consider that it was necessary to exhaust all other possibilities. We demanded that the Security Council be convened. Less than 24 hours after the bombing raids a session was held and it emerged that only we were actively opposed to them; China was also opposed to them, but not actively.... If this is a fiasco for Russia, then you can just as well say that it is also a defeat for China, although I think these terms are incorrect and simplistic. Nevertheless, all the others came out in favor of a harsh response. Not only NATO countries but also the Czech Republic and nonaligned countries which, incidentally, called for even harsher measures. So that the mood at the United Nations was that "it was necessary to carry out even more bombing raids...."

Such is international public opinion but I do not think that it should be dramatized. We have our own standpoint, but there exists a law by which the Security Council works — resolutions are adopted by a majority of members.

The Americans, for example, are in exactly the same position regarding the question of lifting the embargo on arms supplies to the Bosnian Muslims. They have submitted a draft resolution on several occasions, but it has regularly been rejected by the majority of members. So what is this — a major defeat for the United States in the world arena?

[Ovcharenko] I would describe the present situation as an offensive by U.S. diplomacy. But did not the UN leadership at least give you details of the investigation of the drama in Sarajevo under conditions of the greatest

secrecy? Did it not indicate the place from which the Serbs allegedly fired the mortar?

[Kozyrev] There is an official UN finding: The bombardment was carried out from the Bosnian Serbs' positions. High-ranking official UN representatives unanimously confirm this. Right from the outset, we expressed our support in the Security Council for an investigation of this tragedy. This remains our position — we are fighting for additional investigations to be carried out. Unfortunately — and I once more draw your attention to this — the majority of Security Council members did not support us so that we were unsuccessful in getting a decision about such an investigation passed. But it remains a fact that the world has been forced to reckon with the UN leadership's official standpoint. It is like a court.

[Ovcharenko] You are combining the post of a minister with the arduous work of being a deputy. This can hardly be because you have a lot of free time. Excuse me for being so blunt, Andrey Vladimirovich, but is Murmansk your "fallback position"?

[Kozyrev] At first being a deputy was of no benefit to me — I did not need a Moscow residence permit because I already held a senior post. Surely I am well known in the country too, am I not? But it was important for me to check out the voters' attitude toward me. The Duma nomination for an individual constituency gave me that opportunity. I often visited Murmansk on ministerial business; we are developing political and economic relations with neighboring Norway, it is an international port, and our Northern Fleet is based there. All these things are to a considerable extent part of my ministerial portfolio — I am answering your question as best I can. At a personal level this was test of myself. Especially since if you read the newspaper ZAVTRA you will find it written there that "Kozyrev is Russia's Public Enemy No. 2." Incidentally, I am very pleased to be so highly appreciated, this is a record rating. In their opinion I am a man the Russian people reject, I am a representative of an anti-people clique, and so on. In short, there is a whole host of charges against me. But when I read this kind of thing, I start thinking, as a man and a citizen: Supposing I have lost touch? I want an open foreign policy but perhaps people in the country want something else? So I checked my views using the voters as my yardstick. During my period as deputy the region has truly become my "home."

[Ovcharenko] Will you run again there?

[Kozyrev] I think so. To tell you the truth, I have been nominated there again.

[Ovcharenko] What things in your life are you putting off until later? For example, what do you dream of doing when you retire?

[Kozyrev] I still have time before I retire.... But I am not a ballerina or a soldier — so I have not earned my pension yet. I am more concerned about what will be happening in a year's time, for example.

Presidential Administrative Officials Released

MM0609141595 Moscow ROSSIYSKAYA GAZETA
in Russian 6 Sep 95 p 1

[Unattributed report under the "Official" rubric]

[FBIS Translated Text] By an edict of the Russian Federation president, Aleksandr Mikhaylovich Kurbatov has been released from his post as chief of the Russian Federation President's Federal State Service Administration in connection with his transfer to a different job.

By a directive of the Russian Federation president, Igor Sergeyevich Gorshkov, deputy chairman of the Russian Federation Committee for Information Technology, has been released from the post he occupied in connection with his transfer to a different job.

By a directive of the Russian Federation president, Petr Petrovich Korolko has been released from the post of chief of the Secretariat of the Russian Federation President's Chief of Staff and His Deputies at his own request.

Government Appointments, Retirements Reported

MM0709095595 Moscow ROSSIYSKIYE VESTI
in Russian 7 Sep 95 p 1

[Unattributed report: "Cadres; Appointments, Transfers, Retirements"]

[FBIS Translated Text] By a Russian Federation Government directive M. Sapovskiy has been appointed Russian Federation deputy minister of health and the health industry. V. Sirozhenko was appointed deputy chairman of the Russian Federation committee for the press. D. Zasluyev has been appointed deputy leader of the Russian Federation Television and Radio Broadcasting Service. V. Paramonov has been appointed first deputy director of the Russian Federation State Courier Service, and V. Chernyshev has been appointed deputy director of that service. V. Tusnov has been appointed deputy chairman of the Russian Federation Committee for the Chemical and Petrochemical Industry. V. Rabotnov has been relieved of his post as deputy chairman of the Russian Federation State Committee for the Chemical and petrochemical Industry in connection with his retirement. A. Averchenkov has been relieved of his post as

deputy minister for the conservation of the environment and natural resources at his own request. M. Antonov has been relieved of his post as deputy chairman of the Russian Federation Committee for Youth Affairs in connection with his reassignment.

Separation of Powers Within Oblasts, Krays Viewed
MK0609131095 Moscow SEGODNYA in Russian
2 Sep 95 p 2

[Report by Yelena Tregubova: "Sergey Shakh-ray: Provinces Have Never Been Barred From Separating Powers From the Center. Deputy Premier Claims That Thus Far They Simply Have Been 'Not Active Enough'"]

[FBIS Translated Text] The federal leadership stated clearly for the first time yesterday that signing pacts on the separation of powers is possible, not only with the republics within Russia, but also with the krays and oblasts. The governmental commission chaired by Sergey Shakh-ray yesterday officially considered such draft treaties with Krasnodar Kray and Kaliningrad Oblast. The documents were prepared in accordance with a scheme used repeatedly in signing "major pacts" with ethnic entities, starting with Tataria.

Your SEGODNYA correspondent learned from Deputy Premier Sergey Shakh-ray that a treaty with Krasnodar is to be signed as early as September. Some difficulties have arisen with Kaliningrad Oblast. Yuriy Matochkin, the local governor, is an active supporter of the bilateral treaty idea, regarding it as "facilitating economic upsurge" in this enclave region. The Kaliningrad Oblast Duma, however, is scrambling to oppose it, striving to have a specific law on this region adopted, and is most ingeniously cavilling the text of the treaty being worked out. (The deputies, for instance, claim that to have federal agencies "represented" in the oblast under the treaty would be "unpatriotic," because it would allegedly "cut the region off from Russia" placing it on an equal footing with foreign countries, which have their representatives in Kaliningrad.) The government hopes, however, that relations with Kaliningrad will be "legitimized" successfully before the year ends.

Sverdlovsk Oblast is another region to have been promised a treaty relationship. Eduard Rossel, newly elected governor, received confirmation of this during an audience with President Boris Yeltsin. According to Deputy Premier Sergey Shakh-ray, a pact with Sverdlovsk Oblast will most likely be signed within the next two months. In an interview with your SEGODNYA correspondent, Sergey Shakh-ray voiced disagreement with the stance of some provincial leaders who believe that there exists a secret ban on "signing pacts

of the Tatarstan type" with oblasts and krays. He said that the absence of such pacts "is due to the oblasts' low activity." (He claims, thus, that Eduard Rossel, who stated that he had submitted a draft treaty to the federal agencies "several months ago," "in reality, officially submitted it only today.") However, as this paper has already mentioned, in the presidential administration there have been many supporters of the view that treaties with krays and oblasts are "inexpedient." However that may be, Deputy Premier Sergey Shakh-ray vowed yesterday that from now on, these documents will be worked out and signed "as they are submitted." A "standard procedure" to be formed shortly and ratified by a special presidential edict cannot be ruled out. According to Sergey Shakh-ray, he recently has "discussed this possibility" with Boris Yeltsin, since the State Duma failed to pass the respective law.

Obviously, with the election approaching, Moscow will try and make some other moves in this direction to demonstrate its attention to and respect for "the leaders in the provinces."

CEC Holds Conference on Local Election Funding
MM0609152295 Moscow KOMMERSANT-DAILY
in Russian 6 Sep 95 p 3

[Report by Maksim Zhukov: "Local Democracy Has Been Evaluated at Three Million"]

[FBIS Translated Text] Well before the election campaign officially kicked off, it became clear that there will be substantially more candidates than in 1993. Even now the Central Election Committee [CEC] has registered lists featuring more than 2,500 candidates for deputy. Yesterday the CEC held yet another large-scale event: a phone conference with representatives of regional election commissions. The results of the apparently uneven December voting will to a large extent or even fully depend on how the authorities will organize their work at the local level.

It is not difficult to guess about the character of the proposals and comments made by heads of local electoral commissions. Funding for local election commissions seemed to be the main concern of the local representatives. CEC Chairman Nikolay Ryabov's comments made it clear what sort of resources his department has and how much the local election commissions can count on. Overall, 280 billion rubles have been appropriated from the budget for the elections. According to Ryabov, 180 billion will be made available to local electoral commissions. Proceeding from this sum, each district commission (depending on the number of constituents) will receive up to 3 million on average. This sum should

be enough to organize the districts, including visual agitation [naglyadnaya agitatsiya], festive trappings [prazdnichnaya atributika], and, finally, material and technical supplies. The disbursement of these funds, including 100 billion remaining at the CEC's disposal, are under the control of a CEC special auditing service. Apart from financial matters, the regions were also concerned about other problems: campaign posters and paper for the ballots. But the problem that is probably the most significant for the CEC and others interested in a successful campaign is the formation of okrug commissions and commissions of federation components. According to Ryabov, only 34 okrug commissions out of 200 have been formed. If "the local legislators do not display due initiative" before 15 September, the CEC will have to take on the organization of local electoral commissions.

The presence in the Communications Ministry Collegium hall of Presidential Chief of Staff Sergey Filatov, representatives of the Internal Affairs Ministry, the Defense Ministry, the Federal Security Service, the Federal Border Service, and other ministries gave the conference a tangible solidity, presumably designed to show local electoral commissions that the federal executive branch gives major attention to the upcoming elections. In his address to local election commission chairmen, Filatov stressed the need to "ensure the highest possible voter turnout for the elections." Only this, according to him, can ensure the maximum fairness of the results. Filatov did not indicate yesterday specifically how to attract potential voters to the polling stations.

Continued Pre-Election Reportage, Commentary

Agrarian Party's Lapshin Interviewed

MM0609133395 Moscow SELSKAYA ZHIZN
in Russian 5 Sep 95 p 2

[Interview with Agrarian Party Chairman Mikhail Lapshin by Pavel Yemelin: "Final Redoubt. Land Question at the Epicenter of the Election Struggle"]

[FBIS Translated Excerpt] [Yemelin] So the new election campaign is under way. Remember, Mikhail Ivanovich, what the agrarians took to the elections two years ago. What promises were kept, what were not, and why?

[Lapshin] I am surprised when people play to the audience and say that the agrarian faction failed to adopt particular laws. As if all 450 seats in the Duma were occupied by agrarians. In fact, to adopt a "simple" law you need to get 225 votes plus one. To adopt a constitutional law and overcome a "veto" by the Federation Council or president you need two-thirds, that is, 300 votes. Only when you have that kind of

setup can you hope to be able to say you promised and you delivered.

And two years ago we were hoping for mass support. But for certain reasons many gullible peasants did not vote for the agrarians and communists at all. Yet for some reason it is mainly the agrarian deputies who are held responsible for the situation in the countryside today. But let us pull together. In Russia there are around 40 million people living in the countryside and around 65 percent of the able-bodied population is in the agrarian sector. If we take a serious attitude toward the upcoming elections, without any political frivolity, we will have a corresponding proportion of agrarians in parliament.

There are 50 deputies in the agrarian faction at the moment. It is not that small, but it is not enough to guarantee, as it were, the passage of our "agrarian" and other draft laws in the interests of Russia's working stratum. Nonetheless, we do manage to win over a considerable number of deputies from other factions to our side in order to adopt a decision of importance to the countryside. I believe readers of SELSKAYA ZHIZN are closely following parliament's work and remember the mistakes over the budget. I am not going to enumerate the laws and government decrees adopted on the initiative and often under pressure from the Agrarian Party of Russia faction. The main thing is that the peasants have made their mark as an influential political force and have overcome the negative attitude at the "top" toward the countryside and toward Russia's own agricultural commodity production. The adoption on first reading of the Land Code with the Agrarian Party's blueprint and taking into account numerous desiderata from the peasants was a major triumph. [passage omitted]

[Yemelin] What political tasks does the Agrarian Party set in its election platform?

[Lapshin] The most important thing is to radically change the situation in all spheres of our society's life. I think everyone can see this now — a state of a distinctly totalitarian type is taking shape with the executive organs of authority playing an exaggerated role. Indeed the aim of the bosses' bloc, "Russia Is Our Home," is to get its hands on the representative authorities as well (just in case). Meanwhile the country's economy continues to crumble and all these "currency corridors" and talk of "signs of stabilization" are merely manifestations of collapse.

For all the talk of "general human values," Russia has its own history, its own path of development. We will never be able to duplicate the experience of Singapore, which is developing its might as a seaport, or the experience of

Switzerland, which is developing as a banking power. I believe our destiny is different. Russia is a great, gigantic agrarian state. The Russian peasant is the chief customer and the chief employer. This must be our basic premise. Instead of just talking about it we must give real priority to the development of the agro-industrial complex. If the countryside is revitalized we will save the country. And we must not exclude ourselves from the cycle of agricultural production for world needs. The world's population is growing — bread, milk, and meat are required not only for the "golden billion."

[Yemelin] Not everyone knows yet why the agrarians are embarking on the December elections independently, without forming a bloc with the communists and other parties and movements that are close to them in spirit.

[Lapshin] Why must you have them all together under one roof straight away? I am sure the Russian Communist Party will get a considerable number of seats at these elections, and we do not intend to lose the bridgehead we have gained either. There is nothing to stop us then from creating a bloc of left-wing forces in the Duma, but even then we will collaborate without the factions' losing their independence.

[Yemelin] Many people are currently asking the question: Have the paths of the agrarians and Ivan Rybkin diverged for good?

[Lapshin] Ivan Petrovich started a long time ago to drift away from the party that brought him to the Duma and made him chairman of the chamber. By creating his electoral association he essentially placed himself outside the Agrarian Party.

[Yemelin] Will the "Rybkin question" be raised at the congress?

[Lapshin] Hard to say — it is for the delegates to decide. My view is that it is not the most pressing matter for the party at the moment.

[Yemelin] But is the Rybkin bloc banking on a section of the agrarian electorate?

[Lapshin] I don't think the peasants would follow those who have betrayed them. There are plenty of bright people in our party, authoritative leaders of the peasantry, active, experienced people, ready for successful creative work and for even the most responsible post.

Communist Workers Form Bloc

LD0609164195 Moscow Russian Television Network
in Russian 1300 GMT 6 Sep 95

[FBIS Translated Text] [Announcer] It looks as though the radical left is abiding by the old Marxist tenet: before

uniting, one has to separate. Here is our correspondent Marina Lillevyali.

[Lillevyali, over video] The top three on the central party slate of the radical left-wing political movement "Communists — Working Russia — For the Soviet Union" are Viktor Tyulkin, Anatoliy Kryuchkov, and Viktor Anpilov. According to Viktor Tyulkin, first secretary of the Central Committee of the Russian Communist Workers' Party (RKRK), their movement has occupied a position on the extreme left wing of the opposition, and there can be no one further to the left. Moreover, in Tyulkin's view, this has been the first real unification of all the Communist forces in the country. Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation (KP RF), was not regarded as a communist by any of those present. What is more, if the irreconcilables gain power, Zyuganov will face a public trial for deceit and betrayal of the interests of the working class. It looks as if the irreconcilables regard Zyuganov as their main opponent at the forthcoming election.

Nonetheless it was with none other than the KP RF that they managed to nominate common candidates in some single-seat constituencies. The radical Left has no intention of cooperating either with Nikolay Ryzhkov (Power to the People!) or with Aleksandr Rutskoy (Derzhava).

In the event of their winning the election — and the irreconcilable are confident they will win — they intend to use the platform of the State Duma to organize a nationwide strike and to overthrow the present regime.

[Begin Viktor Tyulkin, first secretary of the Central Committee of the RKRK, recording] We are going to use the opportunities we will have both in the election campaign and in the Duma in order to organize resistance, first and foremost in the workforce, to raise them into battle, and when the moment comes, to dissolve this Duma to hell and to replace it with the power of working people's Soviets. [end recording] [video shows news conference given by the bloc's leaders]

Economic Freedom Party Names Candidates

LD0709121895 Moscow Radio Rossii Network
in Russian 1100 GMT 7 Sep 95

[FBIS Translated Text] Konstantin Borovoy, chairman of the Economic Freedom Party, has presented his party's federal list of candidates for the State Duma to journalists. Our correspondent reports that the troika of leaders consists of Konstantin Borovoy, Leonid Nekrasov, the party's deputy chairman, and Vladimir

Kovalenov, head of the Zhukovskiy Air Force Engineering Academy. Valeriya Novodvorskaya is on the list of candidates for Moscow City and Region.

Muslims Urged To Shun Discord

MM0609161495 Moscow ROSSIYSKIYE VESTI
in Russian 5 Sep 95 p 2

[Unattributed report: "Religion Does Not Interfere in Politics"]

[FBIS Translated Text] Aleksiy II, most holy patriarch of Moscow and all Russia, has issued a special statement in connection with reports that have appeared that the "Union of Muslims of Russia" public movement intends to field candidate deputies for the State Duma in the upcoming elections. The patriarch believes that drawing the religious factor into the political struggle could prompt the Orthodox public to take countermeasures — which involves the risk of a confrontation in Orthodox-Muslim relations and could bring about a new split in society. Such a development of events could turn the religious factor in the country's life, which hitherto has been a factor for peace and stability even in conditions of bloody conflicts, into a new factor of confrontation.

At the present difficult time, Aleksiy II declared, the church's Holy Synod does not deem it useful for religious-public organizations to be involved in the election struggle, and this is why it constantly reminds us that political structures which call themselves Christian and Orthodox cannot identify themselves with the official hierarchy of the Russian Orthodox Church or with its public position and, consequently, cannot aspire to any church support in the course of the elections.

The patriarch emphasized that a sizable part of the Muslim clergy takes a similar stand with regard to Islamic political organizations, and he urged all the Russian Muslims' spiritual leaders not to yield to the influence of the spirit of political discord and to refrain from their own participation in the election struggle, as well as from unilateral support for any political organizations.

"I am convinced that such a decision will help Russia's two largest religious communities — Orthodox and Islamic, which have been living in peace and accord for 1,000 years — to continue to preserve peace between them, acting in union with each other for the good of all Russians. It is in this spirit that we are prepared to cooperate with Islamic public organizations which do not get involved in the political struggle," the most holy patriarch declared.

Military & Nuclear Issues

Defense Minister Cited on Military Reform

MM0609140695 Moscow KRASNAYA ZVEZDA
in Russian 6 Sep 95 p 1

[Report by Valeriy Usoltsev and Aleksandr Pelts: "Russian Federation Defense Minister in Khabarovsk"]

[FBIS Translated Text] The continuation of Russian Federation Defense Minister Army General Pavel Grachev's visit to the Far East was unusual. The point is that upon arriving in Khabarovsk he went to the local high school named for Marshal of the Soviet Union Vasily Blyukher. In his time this eminent military leader paid great attention to the school. Around 70 percent of pupils are servicemen's children.

It has to be bluntly said that what astonished the Russian defense minister was not so much the educational establishment's good equipment as the high standard of teaching and of the pupils' knowledge. Army Gen. Pavel Grachev learned from his conversation with the children that many of them are winners of all-Russia mathematics, physics, and chemistry olympiads.

His next visit was to a kindergarten belonging to the military department and headed by Marselyeza Melkozerova.

"My visit to the school and kindergarten is no accident," Army Gen. Grachev said after presenting gifts to the children. "Even three years ago I, as defense minister, could not have dreamed that in these extremely complex conditions, when we had inherited practically nothing, including for the Armed Forces, we would have such kindergartens in such a short time. Such superb high schools and schools for able children who dream of becoming scientists or soldiers."

The next stop on the Russian defense minister's itinerary was the Red Banner Order of Kutuzov Pacific Training Motorized Rifle Division commanded by Major General Yevgeniy Churayev. At the museum of combat glory in the division, which has raised several Heroes of the Soviet Union and many recipients of decorations, Army Gen. P. Grachev had a conversation with officers' wives and veterans of the unit. He answered a number of questions. During the meeting with division personnel the discussion turned to the reforms that are now being implemented in the Russian Army. The main result of these reforms, Pavel Grachev noted, is that in a little over three years we have managed to create an entirely combat-capable new Russian Army ready to fight against any possible enemy.

Unfortunately, the Russian Federation defense minister noted, very many people think that the reforms of the

Armed Forces simply mean their reduction. That is quite wrong. Although a process of reduction is under way, it is only part of the military reform. The second direction is the creation of new troop groupings. These are acquiring a totally new face and purpose in what were formerly rear districts. Who could have thought that Moscow Military District would become a border district where it was necessary to create new structures and control organs?

The third direction is the withdrawal of troops from the territory of other states. This means millions of people and thousands of items of combat equipment and arms, this means servicemen's families. Here, too, there are many problems, of course. But in terms of scale, the defense minister stressed, the work that has been carried out is comparable with the operation carried out to regroup forces from Europe to the Far East in the victorious year of 1945. No country in the world has seen or is seeing such a scale. Another important direction of the military reforms is peacekeeping activity by Russian troops. Russian subunits together with others are essentially preventing the start of World War III in the former Yugoslavia, have stopped the bloodshed in the Dniester region, Georgia, and Abkhazia, and are supporting peace and a political settlement in Tajikistan.

It can also be said that it is the Russian Army that is saving Russia from disintegration, which is what the armed conflict in the North Caucasus is leading to.

Mention must also be made of yet another direction of military reform. Its essence lies in completing the elaboration of a new military-technical policy — a policy of providing the Armed Forces with more modern types of combat equipment and weapons.

All this confirms that even in extremely difficult economic conditions the Russian Army is acquiring its new face while inheriting the best traditions of combat skill, loyalty to military duty, and selfless service of the fatherland. A very great deal, the minister stressed, depends here on the personal example set by every officer and his capacity for self-sacrifice in the name of Russia's supreme national interests. Speaking of the aforementioned directions in military reform, the defense minister noted that a very great deal also depends on politicians, on their statesmanship and attitude toward their own Army. But the Army has repeatedly demonstrated that it is a reliable guarantor of Russia's statehood, stability, and future prosperity.

A meeting was held that same day between Army Gen. Pavel Grachev and members of the Far East Military District collegium, Viktor Ishayev, governor of Khabarovsk Kray, and the local leadership. There was discussion of increasing combat and mobilization readi-

ness and of developing the region's defense industry complex.

Russian Federation Defense Minister Army Gen. Pavel Grachev's work among the troops of the Far East Military District is continuing.

Program Adopted for Radioactive Metal Waste

MM0709093395 Moscow ROSSIYSKIYE VESTI
in Russian 7 Sep 95 p 1

[Unattributed report: "Some 600,000 tonnes of radioactive Waste Have Accumulated in Russia"]

[FBIS Translated Text] There is virtually no processing of metallic radioactive waste now. It is being buried in special sarcophagi or stored in open areas, which is connected with a deterioration of the ecological situation with regard to radiation in these regions. In this connection the processing and recycling of this waste is a major national economic problem requiring the adoption of the relevant targeted program. This program has been approved by a Russian Federation Government directive. The program's main aims are the elimination of the metallic radioactive waste which has accumulated and formed, its conversion to an ecologically safe state, and the recovery of metal for reuse.

Plan To Import Nuclear Waste Criticized

MM0709084895 Moscow IZVESTIYA in Russian
2 Sep 95 pp 1, 2

[Article by Vladimir Yakimets of the Russian Academy of Sciences Systems Analysis Institute: "New Radiation Procedure Turns Russia Into the World's Nuclear Waste Dump"]

[FBIS Translated Text] The so-called new radiation procedure was put into operation by the Russian Federation Government yesterday.

The thrust of the government decree signed by Viktor Chernomyrdin at the end of July is that it will be possible to accept spent nuclear fuel from foreign nuclear electric power stations for reprocessing at the mining and chemicals combine in the city of Zheleznogorsk, Krasnoyarsk Kray.

It is intended that spent nuclear fuel from foreign nuclear electric power stations will start to be imported with the aim of recovering valuable components (plutonium and uranium) for further utilization and solidifying (putting into a solid state) radioactive fission products. The resultant radioactive waste will be returned to the supplier-country.

There would seem to be no cause for concern here: The assumption behind the decree is that Russia has

reprocessing enterprises and they are not being used to full capacity. And, given that the country needs hard currency, why not use that capacity to win a world market.

However, things are not so simple.

Today Russia has only one enterprise at which the spent fuel of VVER-440 and a number of other reactors is processed, namely the "Mayak" association in Chelyabinsk Oblast.

The RT-2 plant in Zheleznogorsk, where it is also intended to reprocess the spent nuclear fuel of our VVER-1000 and foreign reactors, has not yet been constructed. The first phase of the plant will, according to specialists, even given the most favorable conjunction of circumstances (large injections of money from the budget, foreign loans, the prepayment of long-term contracts in hard currency, and so forth), take at least 10 to 15 years to construct. And that means that Russia will be forced to stockpile and store for a long time on its territory spent nuclear fuel from the nuclear electric power stations of foreign countries.

True, the government decree vaguely promises Russians that Russian Federation Ministry of Atomic Energy enterprises will ensure "environmentally safe temporary storage [vyderzhka] of the nuclear fuel...and solidified radioactive waste." It is made clear that the temporary storage of the waste in Russia should not exceed 20 years — until, that is, the radiation and release of heat fall to a level permitting the waste's safe transportation to the supplier-country.

However, this "stop-gap measure" will result in something more akin to a universal radioactive waste dump. All the radioactive discharges into the atmosphere will remain in this country. And this operation will prove far from cost-free.

The essential problem is: Where we will solidify the radioactive waste products produced during reprocessing and how? Russia has only one operational furnace for vitrifying radioactive waste, which is at the "Mayak" association and whose working life is already at an end. Therefore it is used with great caution and not at full capacity.

It was probably not explained to the Russian prime minister that the country does not possess sufficient capacities to solidify our own radioactive waste, let alone imported waste too. And it is most likely that Chernomyrdin was not informed that his signature on the decree gives the interested departments a kind of dispensation to revise the state budget.

The point is that the completion of the construction of the first phase of the Zheleznogorsk plant will, according to Ministry of Atomic Power estimates, require around \$2 billion (foreign specialists, however, estimate expenditure of at least double that). But Russia does not even have \$2 billion. They intend to obtain the money from foreign partners in exchange for contracts to reprocess their nuclear waste. It is intended here that the mining and chemicals combine will store this fuel for the next 10 years, while the money obtained under the contracts is used to complete the construction of the plant. After the first phase is completed, expenditure on reprocessing the imported fuel and storing the waste will come out of the budget.

There is no doubt that people will be falling over themselves to obtain such services. After all, it is no secret that the overwhelming majority of countries with nuclear power plants do not intend to reprocess spent fuel on their own territory. The offer of Russia's services will prove most opportune.

The piquancy of the situation lies in the fact that the storage facilities available in Russia today are limited in size. If the storage facility in Zheleznogorsk is filled with imported fuel as well, it will be completely full before the year 2000.

And what do we do then while waiting for the new plant to start up? Shut down our own AES's?

Moreover, the decree says not a word about low- and medium-level liquid radioactive waste. And yet this waste is not returned to the supplier-countries. It is not known where this is to be put in Russia. Is it to be dumped in the Yenisey? But that river has already taken in considerable amounts of radioactive pollution.

Research by Russian scientists has shown that the pollution of the river is traceable over more than 800 km, while the pollution of the floodplain is traceable up to 1500 km downstream of the disposal point. Islands and localities with a slow current have sections with a radioactive background reading 10 times above the norm.

In short, the new procedure could become a radioactive burden for whole generations to bear in Russia, and the role of the world's radioactive waste dump will be assigned to our country.

It is curious that the government decree should have been signed before the entry into force of the federal law "On State Policy in the Sphere of the Treatment of Radioactive Waste." The law was passed by the State Duma at the end of July, but was not ratified by the president and was returned for additional work at the end of August.

Incidentally, the cost of implementing this law, according to Ministry of Atomic Energy estimates, will total around 10 trillion rubles by the year 2005. It turns out that, on the one hand, the government is worried by the lack of funds for reprocessing our own waste, while, on the other hand, it is, by giving the go-ahead to foreign waste, setting the stage for far larger budget expenditure in the future.

And, lastly, the new procedure is also illegitimate if only because it violates the law on environmental protection ("the import of radioactive material...from other states for storage or burial...is forbidden.")

Federal Assembly

Duma Council Submits Bosnia Proposals to Yeltsin

LD0609125995 Moscow ITAR-TASS World Service
in Russian 1219 GMT 6 Sep 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 6 Sep (ITAR-TASS) — In connection with the deterioration of the situation in the Balkans and the continuing barbaric mass air and artillery strikes by NATO forces on Bosnian Serb positions, which have caused mass casualties among the civilian Serb population, the Council of the State Duma today passed a resolution to send a delegation of the house to Belgrade and Pale to clarify the situation on the spot, says a statement from the Council which was passed unanimously today.

The Council has recommended that the agenda for the emergency session of the State Duma include the question "On the situation in the former Yugoslavia and Russia's policy on the Bosnian crisis". The session is to be held at 1400 next Saturday, 9 September.

At the same time the Council has submitted the following proposals to President Boris Yeltsin:

1. To consider without delay the advisability of signing a law "On halting the Russian Federation's participation in the implementation of international sanctions against the Federal Republic of Yugoslavia".
2. To consider the advisability of suspending the Russian Federation's involvement in the Partnership For Peace program.
3. To call on behalf of the Russian Federation for the immediate convocation of the UN Security Council to consider the question of "The mass shooting of Bosnian Serbs".
4. To hold Russian-Ukrainian and Russian-Belarusian consultations on elaborating a coordinated stance on the Bosnian crisis.

The Duma Council also recommended that the president dismiss Andrey Kozyrev from the post of Minister of Foreign Affairs of the Russian Federation "for numerous serious errors committed by him and the ministry he heads, leading to a humiliating failure of Russian diplomacy in the Balkans".

Rybkina Rejects Cooperation With NATO

LD0609172395 Moscow Radiostantsiya Ekho Moskvy
in Russian 1500 GMT 6 Sep 95

[FBIS Translated Text] The State Duma Council has adopted a decision to hold an extraordinary meeting of the chamber on 9 September. The issue "on NATO's unleashing of war in the Balkans" has been included on the agenda.

The State Duma Council has made a number of proposals to President Yeltsin: one, to immediately sign a law on stopping sanctions against the Federal Republic of Yugoslavia, and two, to relieve Foreign Minister Andrey Kozyrev of his post because of mistakes that have caused the degrading failure of the Russian diplomacy in the Balkans and the discrediting of Russia and the president. The issue of Russia's withdrawal from the Partnership For Peace program has been also included on the agenda.

State Duma chairman Ivan Rybkin has said this could be hardly considered as a partnership.

[Begin Rybkin recording] Cooperation means to work together. The sort of work that has been proposed to us in the Balkans we are not going to take part in. This division of labor that is being offered to us — that we, with our power, should merely fulfill the role of extraneous observers while peaceful towns are being subjected to bombardment — we do not accept this. What sort of cooperation is that? They did not even bother to give us a call before starting air strikes. [end recording]

Delay of Law on Free Economic Zones Criticized

LD0709103895 Moscow ITAR-TASS in English
0856 GMT 7 Sep 95

[By Eduard Popov]

[FBIS Transcribed Text] VLADIVOSTOK, September 7 (ITAR-TASS) — The Russian parliament has unjustifiably delayed the passage of the law on free economic zones. Mikhail Zadornov, Chairman of the Russian State Duma's Committee on budget, taxes, banks and finance, said this at a news conference in Vladivostok. Zadornov, representative of the YABLOko faction in the Duma, is on a visit in Vladivostok in connection with the election campaign.

Zadornov said versions of the law on free economic zones suggested by deputies from the Kaliningrad region are "incompetent juridically" and cannot serve as a basis even for the first reading.

Zadornov believes this delay is unfavourable for attracting foreign investment to Russia.

The Chairman of the Duma Committee also said that the YABLoKo faction is urging the government to stop implementing its financial activity through so-called authorised banks and their local subsidiaries. He believes this practice leads to the delay of payments and is an obstacle to the formation of medium and small commercial banks which are as much needed for Russian provinces as capillaries for the blood system.

Zadornov is at the top of the list of candidates from the YABLoKo bloc in the Far Eastern region together with his associate, deputy from the Maritime territory Mikhail Glubokovskiy.

Military Men Serving in State Duma Profiled

MM0609144795 Moscow ROSSIYSKAYA GAZETA
Weekend Edition in Russian 2 Sep 95 p 4

[EKSTRA-PRESS report: "In the Ranks and In the Committee"]

[FBIS Translated Text] State Duma Deputy Aleksandr Piskunov has been awarded the next military rank — major general.

Apart from Piskunov, there are several other generals in the Duma. One of them is Colonel General Dmitriy Volkogonov. In the past one of the leaders of the Soviet Army and Navy Main Political Directorate, now the author of a number of books on Lenin, Stalin, and other state figures. It is quite natural that the Duma generals should be mainly concentrated in the Defense Committee, which is headed by political worker Colonel Sergey Yushenkov. However, there is another generals' refuge in the lower chamber — the Geopolitics Committee. It is "under the command" of Lieutenant General Viktor Ustinov, a graduate of a Belarusian university and the General Staff Academy. As he writes when filling out forms, he is a historian (candidate of sciences) and a journalist. His deputies include a general with a "humanitarian" background — Nikolay Stolyarov. The former chairman of the RSFSR Communist Party Central Control Commission does not have a humanities background: He is a professor-philosopher by military (aviation) education — "a specialist in combat command and control." Major General Stolyarov combines deputies' matters with the duties of president of the Sergey Radonezhskiy Social Partnership Fund.

By and large, the contingent of generals in the Duma is not very constant: "Star parliamentarians" come and go. Thus, Colonel General Yuriy Rodionov has relinquished his deputies' powers. The reason is that he has been appointed auditor of the Comptroller's Office. It is a high post, a state post, and cannot be combined with being a deputy. On the other hand, another three-star general, German Titov, the second cosmonaut, has been elected to the Duma from Kolomenskiy Okrug. To a certain extent he is a "rare bird" among the Duma generals: Rather than joining a strictly pertinent committee, he in fact joined the Committee for Industry, Construction, Transportation, and Power Engineering.

The generals in the Duma are modest, serious, and quiet people. At plenary sittings they speak rarely, and even if they do pick up the microphone, then as a rule, they speak to the point. They usually arrive to perform their state service in civilian uniform. But on big holidays, particularly on days of the Fatherland's military glory — they are always dressed up. And then the generals who work in the chamber's apparatus — (true, there are not many of them) really shine. They include Leonid Mayorov, aide to the State Duma chairman for military questions.

Nikolay Mikhaylov, a staffer at the Duma press service and its specialist-expert, has competently helped to "declassify" the generals corps in the parliament. Incidentally, he is a retired colonel general.

Regional Affairs

Dolgachev Appointed Chuvashiya's Interior Minister

LD0609215395 Moscow ITAR-TASS World Service
in Russian 1547 GMT 6 Sep 95

[By ITAR-TASS correspondent Valentina Ivanova]

[FBIS Translated Text] Cheboksary, 6 Sep — (ITAR-TASS) Petr Dolgachev has been appointed interior minister of Chuvashiya. This appointment has drawn the line in a "diarchy" that has been dragging on in Chuvashiya's "power" department.

Let us remind you that at the end of 1994 by a decision of the Republic President Nikolay Fedorov, the interior minister was dismissed and the new minister, Vadim Antonov, was appointed. In February this year the Russian president rescinded the decision; however, Nikolay Fedorov issued another edict that confirmed the appointment of Vadim Antonov.

According to the republic's press service, a meeting between Nikolay Fedorov and new Russian Interior Minister Anatoliy Kulikov helped to resolve the conflict.

At the meeting a compromise acceptable to both sides was reached: Petr Dolgachev heads the Chuvash Interior Ministry and Vadim Antonov has become his first deputy in the capacity of a minister and member of the republic's government.

Grachev Speaks on WWII Anniversary in Vladivostok

OW0709112995 Vladivostok Radio Vladivostok
Network in Russian 2210 GMT 1 Sep 95

[Speech by Army General Pavel Sergeyevich Grachev, Minister of Defense of the Russian Federation; from a report on the solemn meeting devoted to the 50th anniversary of the end of World War II held 1 September evening at the Gorkiy Theater in Vladivostok]

[FBIS Translated Excerpt] [Grachev] Dear veterans of World War II, respected soldiers and sailors, respected Far Easterners, and respected foreign guests:

We are meeting on Far Eastern soil on the eve of a special date in the history of mankind, the 50th anniversary of victory in World War II. Just recently, on 9 May in Red Square and at the Hill of Homage in the Hero City of Moscow — hallowed places of military glory — we marked the 50th anniversary of victory in the great patriotic war with a solemn military parade. Today we mark a day on which mankind is obliged to honor the countries and peoples who achieved the victorious conclusion of World War II. This most brutal and bloody war drew 61 states into its cauldron and carried away 57 million lives. [passage omitted]

The duty of those alive today is to remember the historic lessons of the war. Only a state united by a common aspiration and concern for the fatherland can be undefeated. Russia could and can defend its vitally important interests only on condition of national concord and social unity. There is another irrefutable truth. The armed forces must serve only the people and their state. Although the ideological confrontation between the two systems has gone, and Cold War stereotypes have slipped into the past, regional conflicts are nevertheless continuing and the danger of war remains.

The anti-Hitler coalition countries' unique experience of joint struggle convinces us that effective ways can always be found to overcome territorial, political, economic, and inter-ethnic conflicts, and that it is possible to move from a policy of confrontation to a search for proper solutions to strengthen strategic stability. Today Russia is an active participant in the creation of a reliable system of security in the Asia-Pacific region. We see the formation of a system of joint security with the active participation of all countries

of the region as a long range strategic goal in the region. The future of the Asia-Pacific region is perceived by us to lie in a regional security association capable of efficiently handling crises and peacemaking. An association of this kind is a long term aim that can be achieved through more openness in military affairs, creation of multifaceted mechanisms for early aversion of conflicts, and development of confidence building measures in the military sphere.

However, the positive changes that have begun in the world have not yet become irreversible. So it is essential to recall another lesson of World War II — only a strong army and navy are capable of ensuring the national security of the state. At present the Russian armed forces are playing a leading role in the task of maintaining international security and are an important factor in determining the role and significance of Russia in the system of world relations. Our army was, and remains a bulwark of the state, and a guarantor of its stability and integrity. Despite all the difficulties being experienced, army and navy personnel are worthily fulfilling their military and human duties, and maintaining the state's defense capability at the proper level.

Our servicemen are courageously continuing the task of their ancestors who defended the freedom and independence of their fatherland — your task, dear frontline veterans of World War II. On the anniversary of the end of World War II we reaffirm our loyalty to the sacred ideals of freedom and independence of our motherland, and the inflexibility of spirit and military glory of Russian arms. We salute and make a deep filial bow to you, dear victorious veterans. Your feats and names have been inscribed forever into the history of the Russian state, and they will evoke feelings of dignity and national pride for the fatherland in future generations.

Glory to the heroes, alive and fallen. Eternal memory to the millions of people of various nationalities who gave their lives in the name of victory. Long live our great and united Russia for the prosperity of which we live and serve. Thank you for your attention.

Soskovets on Territory, Kuril Islands

OW0709012695 Vladivostok Radio Vladivostok
Network in Russian 2210 GMT 1 Sep 95

[Speech by Oleg Nikolayevich Soskovets, first vice premier of the Russian Federation Government; from a report on the 1 September evening solemn meeting devoted to the 50th anniversary of the end of World War II held at the Gorkiy Theater in Vladivostok]

[FBIS Translated Excerpt] Dear World War II veterans, our foreign guests, friends, and comrades. First of all

I would like to convey to you words of greeting from Russian President Boris Nikolayevich Yeltsin, words of greeting and gratitude for the colossal work carried out by our veterans to ensure peace and victory in World War II.

We have gathered today in Russia's largest Pacific coast city to observe together one of the most important dates in contemporary history, the 50th anniversary of the end of World War II. Days of Peace in the Pacific Ocean being held in Vladivostok on the occasion of this event with the participation of representatives of foreign states are not just a symbol of our common victory but also our firm determination to turn the Asian-Pacific region into a zone of stable peace and good-neighborliness. Fifty years separate us from those memorable days when soldiers of the Soviet Army, together with forces of the allies, completed the defeat of militarist Japan.

Although the final stage of World War II was not long in terms of time it nevertheless required considerable efforts and resources to achieve victory.

The question of the USSR's entry into the war against Japan was first raised at the Teheran Conference. At the Crimean Conference, the Soviet leadership, taking into account the request of the United States and Great Britain, declared that it would join the war against Japan within two or three months after the capitulation of Germany. At the same time the territorial problem was also resolved, that is the return to the Soviet Union of Southern Sakhalin and the receipt [polucheniye] of the Kuril Islands. These conditions reflected the realities of the situation that had formed at the time and were confirmed by the Potsdam Conference. [passage omitted]

On 2 September 1945 Japan capitulated with the signing of documents on board the U.S. battleship Missouri. The capitulation of Japan was a most important military and political result of the Soviet Union's entry into the war. The bloodiest war in the history of mankind, the Second World War, ended on this day. At this meeting I would like to once again emphasize that it was precisely because of the heroic efforts of our army and our people together with the people of these countries that northeast China and Korea were liberated. We highly value and will never forget the major contribution to victory in the Far East that were made by the people and armies of the United States, China, the states of the anti-Hitler coalition, Mongolia, and the Asian and Pacific countries.

In recent years we have become witnesses of and participants in colossal geopolitical world changes, which were expressed primarily in the end of the Cold War and the change from confrontation to cooperation. Of course today it is still early to speak about a

complete victory of the policy of good-neighborliness and mutually advantageous cooperation; however, the trend toward strengthening security and stability is being consolidated and the foundations of this change were laid back in distant 1945. The memory of the heroes who gave their lives for the freedom, independence, and happy future of the peoples will be eternal.

Positive changes have now affected the entire Asian-Pacific region, which is essentially experiencing its own renaissance today. This extensive region is turning into one of the major world economic and political centers. Active integration processes are underway here and a new Asian-Pacific community is being formed. As a major Eurasian power Russia strives to make a substantial contribution to strengthening the basis of peace and stability in the Asia-Pacific region and to actively participate in the integration processes in this region. We are convinced that the creation of structures for dialogue on questions of security corresponds with the interests of all states. We attach important significance to the regional ASEAN forum and consider it to be the beginning of the process which will lead to the creation of a regional security community.

I would like to reiterate that Russia does not view any state as a potential enemy. We are ready to expand mutually advantageous cooperation with our neighbors in the Asian-Pacific region, with the United States, Canada, the PRC, the DPRK, the Republic of Korea, and Mongolia. Russia also strives to invigorate multifaceted ties with its traditional partners — India, Vietnam, Laos, and Cambodia. We are interested in developing practical ties with Japan in absolutely all directions and intend to pursue a policy of continuing consistent dialogue, finding mutually acceptable solutions to problems which may arise in our relations. Russia is turning increasingly towards the East. It is our aim to direct the enormous economic potential of the country's Asian part — and this includes 50 percent of the world's reserves of coal and natural gas, 25 percent the oil, 20 billion cubic meters of timber resources, 26 million tons of fish, and others — toward the success of Russian reforms and to ensure the harmonious entry of the Russian state into the Asian-Pacific region's economic space and its full-fledged participation in international economic cooperation aimed at the 21st century.

We have already done a lot to join the integration processes in the Asian-Pacific region. Russia is prepared for the closest and [words indistinct] cooperation with all countries of the region both on a bilateral or multilateral basis. We consider that the affirmation of the principles of open regionalism in interstate trade and economic relations will permit acceleration of the integration processes in the region. We must learn the

lessons of World War II and do everything possible to see that a tragedy of this sort is not repeated in this world. As far as Russia is concerned, it is interested in and ready for the broadest cooperation with all states of Asia and the Pacific basin in the search for optimal ways to strengthen security, eliminate potential conflict situations, and strengthen mutually advantageous cooperation on a bilateral and regional levels. [passage omitted]

South Korean Delegation Arrives in Khabarovsk

LD0609164995 Moscow ITAR-TASS in English
1604 GMT 6 Sep 95

[FBIS Transcribed Text] Khabarovsk, September 6 (ITAR-TASS) — A South Korean delegation from the province of Kyongsang-Namdo arrived in the Russian Far Eastern Khabarovsk region to participate in an international conference of regional administrations of northeastern Asia.

The governors of the Khabarovsk region and the province of Kyongsang-Namdo met in Khabarovsk on Wednesday to discuss prospects for economic cooperation between the Russian Far East and South Korea.

Russian official Viktor Ishayev and his South Korean colleague Kim Huk Ku signed a final document on economic interaction and cultural relations between the two provinces.

Head of the Khabarovsk administration Viktor Ishayev said that a new epoch in relations between the Russian Far East and South Korea began in 1994 when President of the Korean Republic Kim Young-sam visited the region.

Two major investment projects with the participation of South Korean capital offer great opportunities of economic cooperation. Thus, Stal-Ha, a joint Russia-Korean venture, was created on the basis of the Amurstal plant. The South Korean side intends to invest 20 million U.S. dollars in the project.

Kim Huk Ku declared his intention to actively develop mutually beneficial economic ties with the neighbouring Russian region. Kyongsang-Namdo is one of South Korea's mostly developed industrial regions, a center of mechanical engineering, ship-building and other industrial branches.

Regional Administration Conference Opens

LD0709093395 Moscow ITAR-TASS in English
0719 GMT 7 Sep 95

[By Anatoliy Vostokov]

[FBIS Transcribed Text] Khabarovsk September 7 (ITAR-TASS) — An international conference of regional administrations opened in Khabarovsk today. It will work out new effective forms of cooperation on the level of local administrations and create the basis for stable mutually advantageous economic relations in the Asia-Pacific region. The conference is attended by delegations from prefectures and provinces of Japan, the People's Republic of China and South Korea, as well as territories and region of the Russian Federation. Consuls-General of China, Korea and Japan in the Russian Far East are also taking part in the conference.

"The Asia-Pacific region, which was for many decades a backyard of the world economy, a scene of bloody conflicts and a sphere of confrontation between two conflicting parties during the 'cold war' years, has become one of the most rapidly developing regions of the world. Large flows of money, goods, information and people going towards each other have turned the Asia-Pacific region into an area of active cooperation in the sphere of economy, technology, culture, science and sports," Viktor Ishaev, head of the local administration of the Khabarovsk Territory, said in his opening speech.

A message of greeting, sent by Prime Minister Viktor Chernomyrdin to participants in the conference, was read at the opening ceremony.

Cheji Ashio, Vice Governor of the Hiogo Prefecture, made a short report about the results of a similar international conference of heads of regional administrations, held a year ago. Three plenary meetings will discuss today problems dealing with cultural relations, the exchanges of specialists, economic and technical cooperation, as well as general problems of regional cooperation.

Khabarovsk Industrial Output, Kalmykia Harvest Down

MM0509154195 Moscow SEGODNYA in Russian
5 Sep 95 p 3

[Unattributed report under the "Provincial Chronicle" rubric]

[FBIS Translated Text] Elista — A critical situation with regard to grain supplies to the regional fund, which is planned to reach 40,000 tonnes, has come about in the republic owing to drought. Presently, only one-fifth of that quantity has been bought. Kalmykia harvested

300,000 tonnes of grain this year, whereas according to forecasts the harvest should have reached 600,000 tonnes. The damage done to agriculture is estimated at 17 billion rubles. The Russian Federation Government is drawing up a special decree to compensate republic residents for losses caused by the natural disaster.

Khabarovsk — Industrial production at large and medium-size enterprises of the kray fell 19 percent in the first seven months of 1995 against the same period last year. Steel and rolled stock production is down by more than 50 percent. Consumer goods production shrank by one-quarter. In July alone 5,000 people had to take leave without pay or with the partial payment of wages.

Desired Political Attributes in Novosibirsk Viewed
954F3333A *Novosibirsk VECHEIRNIY NOVOSIBIRSK*
in Russian 29 Aug 95 p 2

[Review of public opinion polls by Vladimir Kuzmenkin: "Summer Impressions"]

[FBIS Translated Text]

Wanted: A "Smart Democrat"

Now we are already talking not about concrete names or preferences for a particular political party. What we have is a general perception of potential voters of what a State Duma deputy should be. Here it is....

A deputy should be a man, believe 97 percent of the respondents. He should not be too young or too old: 45 percent believe that the ideal age for a deputy is between 36 and 45, and 26 percent—between 46 and 55. Almost half of the respondents (45 percent) believe that a deputy should be married, and 43 percent are convinced that the person they elect should have children. Also, 62 percent of the respondents prefer their deputy to be an ethnic Russian, while for 33 percent this is of no importance.

As is known, there are different roads to a deputy seat. The voters see their "correct" path: 25 percent are convinced that the best deputy is a politician. The other preferences are as follows: 9 percent—head of a company, 8 percent—a director, 7 percent—a banker. What kind of knowledge does the deputy need most, in voters' opinion? Economics (quite predictably) tops the list. It was named first by 52 percent of the respondents. It is followed by: political science, psychology, and sociology—32-36 percent, and business—22 percent. Another sign of the times: More than half of Novosibirsk respondents (53 percent) believe that the deputy should be of the Orthodox faith. Only 7 percent would prefer an atheist, and for the rest religious affiliation is of no importance.

What other single attribute would additionally influence Novosibirsk voters? Party affiliation can add 6 percent of the vote, and a pleasant appearance, the same number. Connections in the capital add only 5 percent, but life experience, on the other hand, adds 32 percent, and an ability to express himself clearly—a whopping 46 percent. But at the top of the list are knowledge and intelligence: 70 percent. Finally, the type of a leader. "A man of the people" would sit well with 9 percent, and an administrative one—12 percent. Which kind then gets the most vote? An energetic leader is preferred by 58 percent of the voters, and thoughtful—by 63 percent....

Of course, during the time remaining until the elections, much can change, but this already provides food for thought. Generally speaking, the person people want is an educated man in the prime of his life, a good family man, preferably a professional politician with a knowledge of special sciences, and, again, an experienced and eloquent man. If this stays the same, the current State Duma deputies from Novosibirsk Oblast have a good chance to succeed again in the elections. Same as two years ago....

Yavlinskiy Leads...

A lot still could happen before December, and the situation may change dramatically, but...it is not accidental that our oblast is considered a region of "traditional" voting patterns. So what does this traditional pattern look like as of 12-22 July of this year?

First—the orientation. Voters were asked to specify the political orientation of a party they would support in parliamentary elections. One in three (as usual!) was at a loss in answering this question, and the most shunned was the currently fashionable centrism—it was picked by only 5.4 percent. Socialists and social democrats are valued almost equally—7 and 8 percent, respectively. Patriots are somewhat more popular—9 percent, but even they were no competition to two top preferences: democratic—24 percent, and communist—17 percent. On the other hand, a lot of things are meant by the word "democracy" in our country, which often have nothing at all in common with it....

Orientation is a rather theoretical notion; therefore, let us better look how Novosibirsk residents would have voted today. Speaking of political parties, YABloko led with 12 percent, followed by the Communists—9 percent, and the Great Power [Derzhava] movement—8 percent. YABloko and the Communists show about the same share as in previous elections and have not made much progress, but... the point is that many others do show a change, but downward. The agrarians in urban areas (they will of course get different results in the rural

areas) would get 1 percent; Russia's Choice would be a flop with 2 percent; and as great as the LDPR [Liberal Democratic Party of Russia] leap was in December '93, its decline may be now just as great—according to the polls, Zhirinovskiy's party would get only 5 percent of the vote. Bad news for the Economic Liberty Party and the Russian All-People's Union—they did not evoke any interest at all. On the other hand, a pleasant surprise for the Democratic Party of Russia and the Women of Russia movement: The former got 5.5 percent, and the latter—more than 7 percent of the respondents' vote. As to the Russia Is Our Home bloc, compared to its ambitions, its showing was very modest—7 percent.

If Novosibirsk residents were to elect the president right now, the picture would not be sensational. According to the data from many polls, people who are respected here are Rutskoy, Zhirinovskiy, and Yavlinskii. To be specific, in July the situation was as follows: Grigoriy Yavlinskii was leading again, being the only person to surmount the 10-percent mark with 11.2 percent of the vote. He is followed in a close race by four politicians: KPRF [Communist Party of the Russian Federation] chairman Gennadiy Zyuganov—9 percent, Vladimir Zhirinovskiy—8 percent, Prime Minister Victor Chernomyrdin—7.2 percent, and Aleksandr Rutskoy—7 percent. The incumbent president has an amazingly low rating (this has been mentioned in the press many times, but it appears that the Kremlin does not particularly trust journalists and sociologists): Boris Yeltsin got only 4 percent. On the other hand, Yegor Gaydar ended up with even less—2 percent, and Sergey Baburin simply was not even mentioned by anyone.

So it looks as if we do stick to our traditions.

Novosibirsk Oblast Decides on Electoral Commission

954F3334A *Novosibirsk SOVETSKAYA SIBIR in Russian* 31 Aug 95 p 1

["Decision of the Novosibirsk Oblast Soviet of Deputies (Thirtieth Session) of 24 August On the Electoral Commission of Novosibirsk Oblast"]

[FBIS Translated Text] On the basis of Article 13 of the federal law "On Basic Guarantees of the Voting Rights of Citizens of the Russian Federation," Article 16.18 of the federal law "On the Elections of Deputies of the State Duma of the Federal Assembly of the Russian Federation," Article 2 of the statute "On the Electoral Commission of Novosibirsk Oblast," and taking into account the proposals of the organs of local self-government, of social movements and organizations, of voters assemblies at places of residence, and of labor

collectives, the Novosibirsk Oblast Soviet of Deputies has

DECIDED:

1. To appoint to the staff of the electoral commission of Novosibirsk Oblast:

Boris Grigoryevich Belyayev—born in 1935, deputy general director of the Measuring Instruments NII [scientific research institute] of the City of Novosibirsk, nominated by the labor collective of the Measuring Instruments NII.

Yekaterina Andreyevna Berdysheva—born in 1944, higher education, chief of the local government of the Yevsinskiy Agricultural Council of the Ikitimskiy Rayon of Novosibirsk Oblast.

Boris Nikolayevich Volkov—born in 1925, higher education, pensioner, nominated by the presidium of the oblast council of veterans of war and labor, Armed Forces, and law enforcement organs.

Viktor Petrovich Zyryanov—born in 1950, higher juridical education, deputy chief of the Novosibirsk territorial administration for antimonopoly policy, nominated by the bureau of the OK KPRF [Oblast Committee of the Communist Party of the Russian Federation].

Nikolay Vasilyevich Kiz—born in 1941, higher education, chief of the radio navigation system of shop No. 21 NAPO [not further identified], nominated by the STK [council of labor collectives] of NAPO.

Vasily Vasilyevich Markhinin—born in 1948, higher education, supervisor of a sector of the Institute of Philosophy and Law of the SO RAN [Siberian Department of the Russian Academy of Sciences], nominated by an assembly of voters of the Institute of Philosophy and Law of the SO RAN.

Aleksandr Kondratyev Sanarov—born in 1947, higher education, deputy chairman of the oblast electoral commission, nominated by an assembly of voters.

2. To form the electoral commission of Novosibirsk Oblast consisting of the following members, taking into account paragraph 1 of this decision of the Novosibirsk Oblast Soviet of Deputies and the directive of the administration of Novosibirsk Oblast "On the Structure of Electoral Commissions":

Valeriy Georgiyevich Bayanov—born in 1939, higher education, chief of the section of the Novosibirsk department of the GPI [State Planning Institute] Elektroproyekt, from the administration of the oblast.

Boris Grigoryevich Belyayev—born in 1935, higher education, deputy general director of the Measuring

Instruments NII, City of Novosibirsk, nominated by the labor collective of the Measuring Instruments NII, from the oblast Soviet of Deputies.

Boris Leonidovich Borisov—born in 1928, higher education, candidate of juridical sciences, leading specialist of the oblast administration, from the administration of the oblast.

Boris Nikolayevich Volkov—born in 1925, higher education, pensioner, nominated by the presidium of the oblast council of veterans of war, labor, Armed Forces, and law enforcement organs, from the oblast Soviet of Deputies.

Boris Dmitriyevich Dokin—born in 1938, higher education, doctor of technical sciences, supervisor of a section of the SibIME (Siberian Branch of the Scientific Research Institute of Mechanization and Electrification of Agriculture), from the administration of the oblast.

Lyudmila Nikolayevna Dyadchenko—born in 1952, higher education, supervisor of the organizational section of the mayor's office of the City of Novosibirsk, from the administration of the oblast.

Viktor Petrovich Zyryanov—born in 1950, higher juridical education, deputy chief of the Novosibirsk territorial administration for antimonopoly policy, nominated by the bureau of the OK KPRF, from the oblast Soviet of Deputies.

Nikolay Vasilyevich Kiz—born in 1941, higher education, chief of the radio navigation system of shop No. 21 NAPO, nominated by STK NAPO, from the oblast Soviet of Deputies.

Vasiliy Vasilyevich Markhinin—born in 1948, higher education, supervisor of a sector of the SO RAN, nominated by an assembly of voters of the Institute of Philosophy and Law of the SO RAN, from the oblast Soviet of Deputies.

Dmitriy Teodorovich Puchkin—born in 1959, higher education, an assistant of State Duma Deputy V.S. Lipitskiy, from the administration of the oblast.

Aleksandra Kondratyevna Sanarova—born in 1947, higher education, deputy chairwoman of the oblast electoral commission, nominated by an assembly of voters, from the oblast Soviet of Deputies.

Lidiya Ivanovna Ustinova—born in 1934, higher juridical education, candidate of juridical sciences, docent of the Novosibirsk faculty of Tomsk State University, from the administration of the oblast.

Vladimir Borisovich Chupin—born in 1952, higher education, chief of the administration of the Sokurskiy

agricultural soviet of Moshkovskiy Rayon, from the administration of the oblast.

3. In accordance with federal and oblast legislation in force concerning elections of organs of state authority of Novosibirsk Oblast and putting into force the "Directive on the Electoral Commission of Novosibirsk Oblast," the statute of the Inner Soviet of the Novosibirsk Oblast Soviet of People's Deputies of 22.12.93. 3 No. 87/306 [as published] will be considered as having lost force in the part on the formation and activity of the electoral commission in elections of deputies to the Novosibirsk Oblast Soviet of Deputies.

4. To establish that the electoral commission of Novosibirsk Oblast is the successor of the oblast electoral commission on elections of deputies to the Novosibirsk Oblast Soviet of People's Deputies.

[Signed] A.P. Sychev, Chairman of the Soviet.

Economic Issues

Chernomyrdin: 'Dollar Corridor' May Be Narrowed

MK0709081895 Moscow SEGODNYA in Russian 7 Sep 95 p 1

[Unattributed report: "Government May Narrow 'Dollar Corridor'"]

[FBIS Translated Text] Viktor Chernomyrdin, chairman of the Russian government, said that the cabinet of ministers is planning to maintain the effective ruble-dollar peg till the end of this year and, if sufficient financial resources are accumulated, to narrow the "dollar corridor." According to his Mr. Chernomyrdin made this statement during negotiations with Spanish Prime Minister Felipe Gonzales.

Decree No. 825 Reviews Performance, Sets Up Reform

MM0709102195 Moscow ROSSIYSKAYA GAZETA in Russian 5 Sep 95 p 6

[Russian Federation Government Decree No. 825, signed by Premier Chernomyrdin and dated 20 August: "On the Socioeconomic Development of the Russian Federation in the First Half of 1995 and Measures To Implement Economic Reform in 1995"]

[FBIS Translated Text] The Russian Federation Government notes that implementation of socioeconomic transformations in line with the Russian Federation president's message to the Federal Assembly "On the Effectiveness of State Power in Russia" and the Russian Federation Government program "The Reforms and the

Development of the Russian Economy in 1995-1997" continued in the first half of 1995.

These transformations have resulted in the lowering of inflation, the stabilization of industrial production volumes in a number of economic sectors, the reduction of the federal budget deficit and its funding on a noninflationary basis, the strengthening of the ruble, and an increase in housing construction.

At the same time, certain socioeconomic problems have not been resolved in the first half of 1995. It has not proved possible to increase investment activeness or to accelerate the structural transformations in the economy. There have been shortcomings in the implementation of the federal budget and the collection of taxes and other mandatory payments, while budget proceeds from the sale of state and municipal property have been substantially less than anticipated. The demand for effective regulation of the activities of natural monopolies, primarily in strengthening controls over price (tariff) growth for their output (services), has increased. It has not proved possible to prevent a decline in the population's real monetary incomes and an increase in the differences between various social groups' incomes.

The Russian Federation Government, believing it necessary to take additional measures aimed at improving the socioeconomic situation in the second half of 1995 and at creating favorable conditions for the development of reform in 1996, decrees that:

1. Federal executive organs and Russian Federation component executive organs, guided by the Russian Federation president's message to the Federal Assembly "On the Effectiveness of State Power in Russia" and the Russian Federation Government program "The Reforms and the Development of the Russian Economy in 1995-1997," shall focus their efforts on implementing measures aimed at bringing about financial and economic stabilization and providing social support for the population.

2. With a view to attracting the population's savings and using them for investment, the Russian Federation Ministry of Finance and the Russian Federation Government Federal Commission for Securities and the Stock Market in conjunction with Central Bank of the Russian Federation shall ensure the issue of a state savings loan bond in September 1995.

3. The Russian Federation Ministry of Economics, the Russian Federation Ministry of Finance, the Russian Federation Ministry of Foreign Economic Relations, and the Russian Federation Ministry of Fuel and Energy in conjunction with the "Gazprom" Russian Joint-Stock Company shall submit within two weeks to the Russian

Federation Government agreed proposals to improve tax policy in respect of gas complex enterprises, as well as the procedure for supplying natural gas for export.

4. The Russian Federation Ministry of Economics, the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Finance, the Russian Federation State Customs Committee, and the Russian Federation State Tax Service shall submit to the Russian Federation Government by 1 September 1995 proposals to improve the procedure for collecting customs and excise duties with a view to stepping up the battle against the illegal importation of excisable goods to Russian Federation territory.

5. The Russian Federation Ministry of Finance, the Russian Federation State Tax Service, the Russian Federation Ministry of Economics, and the Russian Federation Ministry of Labor with the participation of interested federal executive organs shall submit proposals to the Russian Federation Government by 1 October 1995 on a mechanism for monitoring the consonance between the declared income of individuals and corporate bodies and their consumer spending — primarily on real estate purchases.

6. The Russian Federation Ministry of Labor, the Russian Federation Ministry of Economics, and the Russian Federation Ministry of Finance shall submit proposals to the Russian Federation Government within one month on the regulation and differentiation of pay taking account of inflation.

7. The Russian Federation Ministry of Finance, the Russian Federation Ministry of Economics, the Russian Federation Ministry of Labor, and the Russian Federation State Tax Service in conjunction with the Central Bank of the Russian Federation shall submit to the Russian Federation Government within one month the draft of a Russian Federation presidential edict "On the Temporary Procedure for Utilizing Funds Received By Enterprises' Current Accounts," envisaging a reduction in the second half of 1995 in the level of the reserve requirement for funds entering enterprise and organization current accounts for wages and urgent needs, with a view to abolishing the aforesaid reserve requirement over and above previously ratified norms as of 1 January 1996.

8. The Russian Federation Ministry of Economics, the Russian Federation Ministry of Finance, and the Russian Federation State Committee for Anti-Monopoly Policy and Support of the New Economic Structures with the participation of interested federal executive organs shall submit proposals to the Russian Federation Government within two weeks on the establishment as of 1 September 1995 of a new procedure for regulating

prices (tariffs) for the products (services) of natural monopolies, restricting their growth to 70 percent of the inflation rate.

With a view to further improving price formation in respect of the output (services) of natural monopolies the Russian Federation Ministry of Economics, the Russian Federation Ministry of Finance, and the Russian Federation State Committee for Anti-Monopoly Policy and Support of the New Economic Structures in conjunction with interested federal executive organs shall examine the question of the size and sources of the funding of capital investment to be channeled into the development of natural monopolies in 1996-1997 and shall submit corresponding proposals to the Russian Federation Government by 15 December 1995.

9. The Russian Federation Ministry of Economics, the Russian Federation Ministry of Fuel and Energy, the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Finance, the Russian Federation State Customs Committee, and the Russian Federation Government Commission for Economic Reform in conjunction with interested federal executive organs shall submit coordinated proposals to the Russian Federation Government by 1 September 1995 on the procedure and conditions for staging an experimental tender as of 1 October 1995 for interested economic entities to gain access rights to major oil pipelines, petroleum product pipelines, and terminals in maritime ports, with a view to switching as of 1 January 1996 to the granting of these rights on a competitive basis.

10. The Russian Federation Ministry of Economics, the Russian Federation Ministry of Agriculture and Food, and the Russian Federation Ministry of Finance shall submit to the Russian Federation Government within one month proposals on the principles and procedure for providing state support for agro-industrial production.

11. The Russian Federation State Committee for the Management of State Property's Federal Administration for Insolvency (Bankruptcy), the Russian Federation Ministry of Justice, the Russian Federation Ministry of Economics, the Russian Federation Ministry of Finance, and the Russian Federation State Tax Service with the participation of the Russian Federation Higher Court of Arbitration shall examine the question of enhancing the effectiveness of the mechanism for offsetting economic components' claims to property against payment of tax arrears and other mandatory payments, and shall submit corresponding proposals to the Russian Federation Government by 15 September 1995.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 20 August 1995

No. 825

Official Denies 'Rumors' on Suspending Bank Licenses

LD0609153695 Moscow INTERFAX in English
1317 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (FIA) — Rumors that the Central Bank suspended the licenses of some large and medium Moscow banks as of August 30 are not true, Central Bank Deputy Chairman Tatyana Artemova told the Financial Information Agency (FIA) on Wednesday.

At the same time, the Central Bank's director of bank supervision, Olga Prokofyeva, told FIA that the Russian Bank within the next 30 days is likely to recall the licenses of around 80 commercial banks.

Up to 300 Russian commercial banks appeared in a difficult position, she said. Yet their share of the country's total banking capital amounts to a mere 1%, said Prokofyeva.

She also said that the Central Bank plans to tighten sanctions towards those banks which are deliberately distorting their financial reports.

Ministries Ordered To Pay Enterprises' Tax Debts

LD0609203895 Moscow INTERFAX in English
1627 GMT 6 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 6 (INTERFAX) — The government payments commission ordered the Russian Fuel and Energy and Railway Ministries to pay off half of their enterprises' tax debt to the state budget by the end of 1995. The commission held a meeting Wednesday presided by First Deputy Prime Minister Anatoliy Chubays.

According to the Russian State Tax Service, fuel and energy industry enterprises, as well as railroads and car makers are the budget's largest debtors. By August 1 fuel and energy industry enterprises owed the federal budget over 7.5 trillion rubles in taxes, while Railway Ministry's debt amounted to 1.7 trillion rubles and car-making enterprises owed the budget 1.5 trillion rubles.

Subsidiaries of the LUKoil and the YUKOS joint-stock companies are the biggest debtors among fuel and energy industry enterprises.

The commission ordered LUKoil to pay one trillion rubles in taxes to the federal budget by October 1.

Petr Karpov, deputy head of the federal department in charge of insolvency issues, told the meeting of the

government payments commission that enterprises that have steady market demand for their products and a stable income account for over half of the tax debts, which means that their administration simply wants to evade paying taxes. Tax evasion can be perfectly legal due to flaws in the present legislation, said Karpov.

Edict Cutting Export Duties Assessed

MM0709104895 Moscow ROSSIYSKAYA GAZETA
in Russian 5 Sep 95 p 1

[Commentary by Aleksandr Velichenkov: "Surprise From President for Exporters. Existing Export Duties for Whole String of Goods Cut By 30 Percent on Average."]

[FBIS Translated Text] The president's edict cutting export duty is very timely. The stable dollar, the exchange-rate band, and modest domestic inflation have made export shipments loss-making for many sectors.

Metallurgy, oil production, the petrochemical sector, bulk chemicals, and the timber complex have suffered particularly badly. It was by no means an accident that exporters had been demanding more and more insistently that their currency risks be limited.

The export duties introduced in 1992 had a generally good aim — to remove exporters' excess profits formed as a result of the massive gap between domestic (still low at the time) and foreign trade prices. But the processes of growth in the real value of the ruble (not the nominal value, which has fallen) and the equalization of domestic and world prices had already repeatedly suggested to the government the need to reduce export duty. This happened in both 1993 and 1994. Following the newly published presidential edict export duty for most goods will be relatively symbolic. Admittedly, the reduction does not affect oil and gas just yet.

At the same time, even modest inflation of 3-5 percent a month has a very tangible impact on exporters. And it is quite likely that in the wake of export duty, it will be necessary to reduce domestic Russian excise duty — such as the duty on oil and petroleum products, for instance — or to set up a special mechanism for compensating exporters for their exchange-rate losses as a result of inflation and the "banded" dollar.

Both these measures will be pretty painful, since they will make unforeseen holes in the budget. But it seems that merely lowering export duty will not be enough. Russian oil sales on foreign markets are profitable at a rate of 5,300-5,500 rubles to the dollar. It is envisaged that the lowering of oil and gas duty will be the subject of a coming presidential edict. After all, prices on the

domestic petroleum products market are already 45-50-percent higher than world prices.

The urgent need for support for a definite group of Russian exporters will also be clearly obvious by the start of the winter, and then we will have to make some painful decisions. But there are various options. For instance, providing domestic tax relief purely for export shipments. This method is used by Japan, the FRG, and certain other European countries.

Committee Head Belyayev Cited on Privatization

954F3276A Moscow LITERATURNAYA GAZETA
in Russian No. 34, 23 Aug 95 p 10

[Article by Sergey Belyayev, chairman of the State Committee for the Administration of State Property: "'Double Whammy' Is the Means Used By Critics of Russian Privatization"]

[FBIS Translated Text] The Opposition of All Colors and Shades Has At Least Two Advantages Compared to the Government

The first of them is that our opponents' programs do not get tested in practice. Therefore, the attractiveness of each of them depends only on their skillful presentation. As to underwater rocks and other dangers, they can be simply left out.

The government program, on the other hand, is being implemented, every day and every hour. Its achievements do not manifest themselves right away, instantaneously. Any miscalculations and shortcomings, on the other hand, show up immediately.

The second advantage is that opposition ideologists have much more free time than those at the helm. For some, criticizing the government has become their main purpose in life.

Therefore, they hone their polemic tools to perfection.

One of them I call the "double whammy." For instance, first the opposition from a particular part of the political spectrum literally "drives" into a draft law proposed by us several provisions that clearly will be harmful. Members of the executive authority fend them off as much as they can. But quite often our opinion is simply disregarded.

When we do not have any choice but to implement this "lopsided law," the opposition from the other end of the spectrum comes down on us with crushing criticism.

A typical example. The law on privatization was adopted back in the time of Khasbulatov's Supreme Soviet. Under pressure from the left it included the

provision on the second option of converting to joint-stock holding whereby 51 percent of an enterprise's stock went to the labor collective. It was obvious to us from the very beginning that the "champions of people's interests" once again were deceiving the people. But they got their way, and 75 percent of enterprises chose this second option in converting to joint-stock holding.

The consequence—the "spread-out block of stock"—made it impossible to attract effective owners, true investors, right away. As to be expected, many enterprises got caught up in the grip of "structural crisis." Workers, who had neither knowledge nor experience of market behavior, began selling their stock for a song to anybody who was willing to buy. Especially after the same left-wing began to convince the workers that they had been given worthless pieces of paper.

We are still sorting out this chaos today, with difficulty. And on top of this one of State Duma deputies, invested with distinguished academic titles, keeps reproaching the privatization organizers for "kolkhozing industry." His criticisms regarding the second option are very much to the point. But why such a short memory? Why does he turn our misfortune into our fault? The question, alas, goes unanswered.

Until recently, however, we considered the demagogic substance of many cavalry attacks on the government, especially on the heart of economic reforms—the privatization program—too obvious and did not deem it necessary to answer them. Gradually, however, we came to the conclusion that our silence permits the opposition to put spokes in the wheels of the reform program, to hamper the transformation of the national economy. In other words, we give them the opportunity to do real harm to a practical undertaking.

In addition, critics of the government manage to instill in public opinion false perceptions regarding the activities of the RF [Russian Federation] State Committee for the Administration of State Property [GKI] and its territorial organs, about the entire process of privatization.

Thus, the time has come to analyze at least the most "effective" attacks against us. In undertaking this task, it is not my purpose to try to turn my opponents around—most of them clearly do not strive for the truth. My purpose is to let every Russian who wants to understand the substance and meaning of the economic transformations in the country to get, so to say, first-hand what was called in one popular mystery novel "food for thought."

Although the Voucher Phase of Privatization Became History a Year Ago, Opponents Continue To Sharpen Their Pens on It

One of the most vehement opponents of privatization vouchers said in the press many times that he had hung his own voucher up in his office, with "Swindle of the Century" written over it. Another called the voucher a "wrapper without a candy." A third compared the voucher with a "hanky to wipe up a robbed little old lady's tears." And finally, still others maintain that with the beginning of property reform Russia immersed itself in a dangerous "market spontaneity," "spontaneous privatization," which was very much aided by the voucher so much abhorred by the opponents.

So what was really happening? Let us begin with the last objection on the list—regarding spontaneity. Well, there was and is no spontaneity. The issuance of vouchers was preceded by solid preparatory work. Having begun the reform, we moved phase by phase, following a single logic.

I want to remind you of the presidential edict on freedom of trade. It caused a storm in society. There were the most diverse opinions. But I am firmly convinced that it was a bold, grandiose decision. Yes, at first the streets were filled with not too presentable traders, who left mountains of trash and debris behind themselves. And there were many people who thought that the cities would never get rid of this chaos. But some half-year passed and everything fell into place. Well-organized fairs operate, which bring in considerable revenue for the municipalities. Rows of rather cute kiosks line up, where anyone can buy whatever he needs from early morning to late at night. People developed a feeling of freedom, a readiness to accept privatization processes.

Next came small business privatization—commercialization of stores, consumer services establishments, public catering. A sight we have not seen for decades: overflowing store counters and extensive menus.

And right away—a presidential edict on accelerating the privatization program and a whole chain of normative acts describing subsequent steps. One thing followed the other, like in a good book with a well laid-out plot, where a later event stems from the preceding one: conversion to joint-stock holding—privatization vouchers and voucher funds that accumulate them. Our country has not seen such a long-term, clear, interconnected program equipped with the needed tools and mechanisms. It differed dramatically from the programs-slogans—"Acceleration!" "Intensification!" "Harvest-90!"—which inevitably fizzled.

However, while on the top floor of the authorities the order of future actions was being finalized, what began in Russia's cities and nooks and crannies is what later got the nickname "grabization" and which opponents attributed to a harmful effect of the voucher, despite the fact that the latter did not yet exist. Quiet pilfering of plants and factories began. "Spontaneous privatization" consisted of transferring the property of state enterprises (quite often by their management) to other forms of ownership—outside the boundaries set by law. This was not yet a mass-scale phenomenon, but it could quickly spread across the entire country like an epidemic. This danger needed to be nipped by an instant quick blow.

...Let me bring up a comparison from a sphere far removed from economics but something I am very familiar with. For almost 20 years—since my times as a student—I invariably spend my vacations in the Ladoga area, where I go canoeing with a long-established group. Well, when you are moving along some narrow, winding canal, in order to fit into a particular curve you sometimes need one powerful stroke, in which you put all the strength of your arms, shoulders, body. Otherwise the canoe will be thrown onto a sandbank and crash into the rocks. The introduction of privatization vouchers became such a powerful stroke for Russia. The issuance of vouchers and their distribution to Russian citizens were accomplished in a record short time frame. Never before had a campaign of this magnitude been carried out in our country in such a precise and well-organized manner.

The idea of privatization vouchers was supported by a great majority of the population. The figures attest to this. Ninety-eight percent of Russian citizens claimed their vouchers, and 89 percent converted them into enterprise stock or voucher funds. These facts are evidence that opponents of vouchers speak on behalf of an insignificant minority of the population. As to the position of the opponent who nailed his voucher to the wall in his office, this is totally absurd. Was it worth it to go to the trouble of claiming the voucher by showing his passport, and paying 25 rubles for it? At the time, it was still money. After all, one could think of something more ingenious, and for free.

In general, I think that the importance of the voucher, despite volumes having been written about it, is still not quite comprehended and understood. It was part of a huge step in liberalizing society. For the first time, nobody imposed anything on the former Soviet man. Take the voucher if you want to, or do not, if you so wish. Invest it if you want to, or keep it as a souvenir. You have complete freedom to express your will with respect to an official document. Perhaps it was then that

the people for the first time felt free. They were not lined up in columns and made to march. Frankly, I do not even condemn those who exchanged their vouchers for a bottle of vodka. After all, a man drank it, had fun in his own way. If you want to entertain yourself this way—it is your right. In any case, it makes more sense than nailing it to the wall.

And now let us see what vouchers gave those who disposed of them in a farsighted and sensible manner.

Of course, not everybody who invested his voucher in his enterprise's stock was lucky. This is not the fault of the organizers of privatization, but rather of the state of our industry, a considerable part of which had been run into the ground over the years of the totalitarian regime. In prosperous sectors, however, the effect of the voucher was quite perceptible. For instance, several shares of the RAO [joint-stock company] Telecom obtained in exchange for one voucher (that is, free) can be sold today on the open market for \$7,000. Employees of a number of sea ports, who in the past received 10 shares of stock per voucher, can now sell it for \$2,000. Those who did not part with the shares of their plant of factory they received for vouchers have quarterly dividends of 200, 300, 500, 800, and sometimes even 1,000 percent of the face value if their enterprise operates successfully. Of course, this may not be a lot of money. But the stock keeps working as long as the enterprise exists. Calculate how much it will add up to over 10 years—a considerable amount. In any case, not a "wrapper without candy," and not a "hanky for a little old lady!"

Our opponents become especially eloquent, however, when it comes to voucher funds. The following figure shows up in press materials: In Moscow alone there were nearly 2,000 crooked companies collecting vouchers. Perhaps even more, I do not know. Unfortunately, there are many loopholes in the legislation that do not prohibit all sorts of AOZT's [closely held joint-stock companies] and TO's [limited liability partnerships] to collect vouchers. But this has nothing to do with privatization organs.

As to the GKI, we have an administration for the management of voucher funds. There are a total of about 650 of them. The number changes—small ones merge with larger ones. Among them there are some that have been particularly lucky and invested vouchers in stock in promising sectors: First Voucher Fund, Invest-Service, First Check Fund, Profi, Yamal, Geolinvestdobycha, Urals Capital, and so on. Their stock is now valued at tens or hundreds of times over face value. And this is the main indicator all over the world: Stockholders' main income comes from playing the market, not from

dividends—although many funds pay them too, they do not amount to much.

As for reports of swindling, over the entire history of the funds, only in one (and even then only at the very beginning of operations) did the manager, who received a GKI license, turn out to be a crook. I confess—we missed that one! Now, however, we have imposed strict control: As soon as we notice any flaws in an operation, we revoke the license and transfer the vouchers to a safe fund.

Specialists are convinced that voucher investment funds, will still manifest themselves—they will become active buyers of stock of privatized enterprises, with which they are already beginning to carry out joint investment projects envisaging the reconstruction and modernization of production. So do not be in a hurry, gentlemen from the opposition, to sound an all-Russia lament for our young voucher investment funds! They will yet spread their wings; they will yet play their role, to the benefit of the country and the profit to investors. This time is really close, it is already beginning.

Now About the Current Situation. Some Opponents Interpret It Quite Frivolously, To Put It Mildly

One of them even said that by beginning the second phase of privatization the government thus allegedly admitted that the first phase produced no results. If we arm ourselves with this logical scheme, it may produce this sort of logic: By entering college a young man thus admits that he has not learned anything in middle school. In reality, the second phase of privatization is a natural continuation of the first. The strategic idea remains the same—the search for an effective owner. But by drawing on what has already been achieved, we are striving to realize this goal in a more straightforward and rational way.

The stock market has become an instrument of prime importance. Yes, so far it too operates with many shortcomings. But there is no question that without converting enterprises to joint-stock holding and creating institutes accumulating securities, any talk of transition to a market economy will remain merely a slogan. Only through the securities market does capital flow from a sector operating ineffectively to one that produces income. The stock market becomes a natural regulator of economic development. In this sense it is an alternative to our dearly departed Gosplan [State Planning Committee], where thousands of smart specialists tried to take into account every vital need of Tajiks and Chukchi, Balts and Nanay. The stock market keeps track of this automatically, making corrections instantaneously.

The second phase of privatization—to distinguish it from the first—was called "money-based." This is not entirely true. I would put it differently: The second phase has many faces. As we continue to denationalize enterprises and search for effective owners, we use a host of different approaches. The criterion for choosing this time is purely market-based: the demand for the stock of a particular plant, factory, or company. Based on this, we divided enterprises in a way into two categories.

The first are those that operate profitably, whose names are known not only in Russia but also in the international market. For instance, RAO YeES [Unified Power Grid], oil companies, and enterprises in communications, metallurgy, and the timber industry complex. We try to sell for as high a price as possible blocks of these enterprises' shares that are still owned by the state.

The most important goal is not even to bring more money into the budget (although this is of course important) but the fact that whoever paid a lot of money for this stock will necessarily become an effective owner. Because he has to recover what he spent. And this is only possible if the enterprise becomes even more profitable. To achieve this, the new owner will have to utilize the entire arsenal of well-known means—credit resources, new mechanisms and technologies, organize operational and financial management, and so on, and so forth.

A completely different set of tactics is applied to enterprises whose stock is not very liquid. Because it would take considerable investment to make these enterprises operate effectively. We have many thousands of such plants and factories. For them to get on their feet we need to speedily conduct restructuring of property, complete the transition to joint-stock ownership, and give them the opportunity to buy out the land they stand on. This is in a way a second approach to privatization. It cannot be called fiscal or investment-based. In this area, the important part is to complete privatization itself and free the enterprise from the state's leash. Because the state-owned block of stock keeps it from doing things: deprives it of the ability to get loans, and scares off potential investors.

The third approach is needed with respect to enterprises that previously were barred from privatizing. They still have to go through all the phases, which for most plants and factories is already in the past: creating a joint-stock company, drafting privatization plans, attracting investors, closed-bid subscription that gives the collective the opportunity to get its share of stock (albeit smaller than in the past).

Actually, selling land lots to enterprises, which I mentioned in passing, could be seen separately as another distinguishing feature of the second stage. And one more, the fifth: organizing the sale of real estate, which did not exist before.

During the second phase the government gets into its hands what amounts to a valve, which regulates the distribution of funds—which part will go into the budget and which to the enterprise. If the enterprise already stands firmly on its feet, the money from the sale of its state-owned stock will mainly go into the budget. If things are not yet going well at the enterprise, we can give it up to 70 percent of the proceeds. All this is regulated by the valve that is in the hands of the executive branch. In short, an important feature of the second stage is optimizing the investment and fiscal components. And while we are searching for criteria in this very complex work, we are continuously being torpedoed by the same well-known people. Their main demand, as has already happened before, is to stop privatization halfway. One Duma member, our constant opponent, says: "By selling off the stock of the largest enterprises, the government is letting go of the most important lever of managing state property."

Let us once again take this logical sequence one step further. If owning a block of shares (that is, the right to property) is the most important lever of administration, why did we have to start the whole thing? Retain the state's rights to property—nothing is easier. If we reason from the position of the market, however, the state, even after selling its share of stock, still retains numerous levers of influence on enterprises—lucrative state orders, the tax policy, the system of preferences for those who produce output most needed by the country, and so on. Of course, these are all much finer instruments than a simple order. Their use requires skill. But the whole idea starting the economic reforms was to move away from the system of economic coercion.

Enterprises are also speaking out against half-way privatization. When I visited Magadan recently, the director of a local ore enrichment combine persistently said: "Please sell our state-owned stock as soon as possible. We can no longer straddle the fence. We are drowning in debt. The state gives us no money. While private investors would not mind coming up with money, they are afraid to spend it until we climb out from under the state's guardianship." I heard similar pleas in Tyumen, and in many other cities I recently visited.

In Yekaterinburg, however, the director of an enterprise that until recently worked for the defense sector seemed to be talking about quite the opposite—he

asked us to delay by a month auctioning off the state share of his enterprise. But he had his own reason for this. The plant has drafted a promising conversion program. Its management found an investor to go along with this program. They need time, however, to hammer out the details of the agreement. In a month the plant will be ready to present to the committee the buyer they want to purchase the state-owned stock.

Of course, there are people among the directors corps who dream of returning under the heavy but generous hand of the state. But let members of the opposition find at least one director who likes the current half-way situation. I think he could be exhibited as a particularly valuable museum piece.

There is another frightening specter that the opponents constantly hold over our head—that state enterprises' blocks of stock are currently being actively bought up by "portfolio investors," that is, those who do not intend to invest money in production but only want to skim off the profit by reselling the securities when their price goes up. But what is there actually to be afraid of here? First, by buying the stock, the "portfolio investor" is investing some money into the enterprise. Second, he will want more than anything else for the stock price to rise, not sink. Which means that whether he wants it or not, he will invest more. Even if he manages to achieve his goal without putting himself out on a limb. The rising price of its stock is good for the enterprise under any circumstances, and at the same time stimulates the activities of the securities market.

By the way, a strategic investor does not set a goal of raising the stock's price—he invests money in production in order to make a profit on it. So it turns out that each kind is good for the enterprise in his own way. The most important part is for the stock not to sit as dead weight; as long as it is sold and bought, the enterprise will sooner or later find an effective owner. And this is, as has been said many times, the main goal of privatization.

The Government's Critics Frequently Base Their Accusations on Nothing

They take real facts but imperceptibly twist them in such a way that they become difficult to recognize. They accomplish this trick especially skillfully when the discussion shifts to various crimes associated with changing the form of ownership.

Only a naive person would not expect this to attract a good number of people wishing to make a profit. Property is in a state of flux: It has left one owner but has not yet found another. Valuables are sort of in

"transit." Which is an opportune moment for every thief. Even classic robbers tried to take advantage of it. It is not accidental that the expression "highway robbery" has established itself firmly in the Russian language. And today's gangsters too would rather hit an armored truck than a bank. All this overlays the criminal tradition nurtured by the totalitarian regime—from petty theft to major shadow economy dealers.

One would think that every Russian citizen has known this since childhood. But no: One of the government's critics has invented a catching aphorism: "Privatization is the main detonator of crime." I am tempted to ask the authors of such contentions at least two questions. First: Do they have at their disposal at least some statistics on crime that the courts have already ruled on which actually stem from privatization? And second: Can the opponent imagine how the country would be plundered if the government had not announced the privatization program?

I am convinced that we would not get an intelligible answer. And I am also certain that it is far more difficult to commit a crime in the area of privatization than in any other. If for no other reason than because the legislative base in this area is more developed than in any other sphere. All processes are put into such rigid time frames that they make it impossible for a bureaucrat to break the law. Besides, the GKI has set a very strong "fine-mesh net" that can easily fish out any crook. We also have a service working in liaison with law enforcement organs which warns employees at which point of their work there is a dangerous point of slipping onto a slippery road. And if they do not listen, this service catches them by the hand in time. Unfortunately, this also happens.

What is amazing is the law enforcement organs' inaction with respect to embezzlers of state property when it is not at all related to privatization. And since our task is to manage all state property, we, of course, do not stand idle in such situations. This work is done on a continuous basis. Just a month ago I sent a letter to the general procuracy, in which I insisted on taking steps with respect to several regional procurators, who do not file charges against heads of enterprises squandering our common property. And how many such letters are sent from our territorial organs!

If we move away from concrete things, however; if, like our opponent, we appraise privatization as a phenomenon of life, we ought to say in all fairness that, having fulfilled its tasks, it will help reduce all sorts of theft. Because state property was protected extremely poorly. But private owner will not permit such negligence. He will apply draconian measures, but will not permit a bolt or a nut to be stolen from him.

In the end, I believe it is necessary to take exception regarding one direct political accusation leveled against us. A certain commentator, whose name—unlike the names of other opponents—I have to admit was unknown to me, came up with this, forgive the expression, paradigm: "Privatization in its current form—with its sharp economic inequality—is a threat to democracy." A stinging phrase! And for me, a member of the democratic movement in St. Petersburg from the moment it was born, it would have sounded very insulting had it not been cooked up according to the old recipe: "pile it all up, we will sort it out later."

In such cases, as Olga Berggolts once wittily remarked, "what you need is not polemics but a literacy course." Because no democracy is possible altogether without denationalization of property. Besides, the version of privatization our country chose gives enterprise employees the greatest benefits in the world; it gave each Russian citizen equal starting opportunities. As to the sharp stratification of society by the attribute of wealth, I think, in a serious discussion nobody can prove that privatization is the main culprit in this, and not the elementary crime I mentioned earlier. If, however, a person has earned a fortune within the law, using his own brains, knowledge, intuition, and hard work, what democrat will cast a stone at him? Leveling, measuring all with the same yardstick is a solely totalitarian principle.

Contemplating the country's future and formulating practical tasks for the next few years, we identify the main among them—raising the general well-being of the nation. One of the concrete ways to achieve this will be to create a middle class in Russia. Its formation and transformation into a separate political force will help, on top of everything else, to level off the contrasts in property ownership, which are inevitable during the transition period.

This positive change is not too far away. But I have no doubt that even when it comes, opponents of privatization will find new causes for attacks against the government. Perhaps even more stinging than the current ones. For them, it is becoming the only form of self-expression. And in this sense one can only send them the deepest condolences.

Nearly 90 Percent of Machine Building Privatized

MM0709080295 Moscow IZVESTIYA (Financial Section) in Russian 7 Sep 95 p 1

[EKOTASS report: "Federal Shareholding in Machine Building Complex Reduced"]

[FBIS Translated Text] According to figures from the Russian Machine Building Committee, following

various transformations only 159 of the more than 1,500 enterprises in Russia's machine building complex are left in the state sector — just over 10 percent of the total. It is expected that another 40 federal enterprises will be

privatized by the end of 1995 — the same number will change their form of ownership next year as well.

International Affairs**Udovenko: Kiev 'Worried' About French Nuclear Test***LD0609183095 Moscow INTERFAX in English
1647 GMT 6 Sep 95*

[FBIS Transcribed Text] Kiev, Sept 6 (INTERFAX-UKRAINE) — Ukraine is worried about France's nuclear test on the Mururoa Atoll Wednesday, Ukrainian Foreign Minister Hennadiy Udovenko told a news conference in Kiev Wednesday [6 September].

"We cannot but worry about that, specially considering Ukraine's nuclear disarmament policy," he underlined.

Udovenko said his ministry was considering an official statement to this effect.

Foreign Minister on Admission to Council of Europe*LD0609205395 Moscow INTERFAX in English
1651 GMT 6 Sep 95*

[FBIS Transcribed Text] Kiev, September 6 (INTERFAX-UKRAINE) — Ukraine's admission to the Council of Europe will serve as an evidence of the fact that this country has really embarked on the path of democratic reforms. This view was expressed at a press conference in Kiev on Wednesday by Ukraine's Foreign Minister Hennadiy Udovenko.

On September 5, the Bureau of the Parliamentary Assembly of the Council of Europe (PA CE) passed the decision to recommend that Ukraine be admitted to that organization.

According to Udovenko, the meeting of PA CE to examine Ukraine's request has been scheduled for September 25. If the Assembly gives a go-ahead to this request, the question of Ukraine's accession to CE will be examined on November 9 by the Foreign Ministers Committee of the CE member countries.

According to the Ukrainian Foreign Minister, a meeting of Prime Ministers of the Central European Initiative member countries is currently in session in Poland. "Ukraine also strives for membership in that organization," Hennadiy Udovenko said. He noted that Ukraine remains loyal to her "strategy of integration into European structures".

U.S. Embassy Picketed Over NATO Strikes*LD0609160695 Moscow ITAR-TASS in English
1543 GMT 6 Sep 95*

[By Anatoliy Gordeyev]

[FBIS Transcribed Text] Donetsk, September 6 (ITAR-TASS) — Some 150 Kiev residents on Wednesday

picketed the U.S. Embassy in Ukraine to protest NATO air strikes on the Serbs in Bosnia and urge immediate halt to what they labelled as NATO and U.S. aggression.

Pickers who were inspired by a city branch of the centrist Ukraine's Civic Congress party carried placards attacking NATO and the United States and calling for the termination of the Ukrainian-NATO cooperation. Pickets' demands seemed to gain approval from by-walkers and were not opposed by the local police who confined themselves to a protocol of events. Some of the witnesses suggested that the demonstrators also picketed the French Embassy to protest against nuclear tests at Mururoa Atoll.

Ukraine's Civic Congress, one of a few centrist parties in the republic, consistently champions the idea of reintegration of ex-Soviet republics as an opportunity to create an international system of checks and balances. Russia, Ukraine and Belarus are considered to be a driving force of the process, and are recommended to "stand for their interests in the Balkans as openly as the United States and their allies." A statement recently adopted by the party also urged the Ukrainian government to immediately withdraw from the regime of economic sanctions against Yugoslavia.

Noteworthy, Ukrainian lawmakers put the republic's participation in the sanctions on agenda of the ongoing parliament session which opened in Kiev on Tuesday.

Kiev Supports Peace Settlement in Former Yugoslavia*LD0609185595 Moscow INTERFAX in English
1627 GMT 6 Sep 95*

[FBIS Transcribed Text] Kiev, Sept 6 (INTERFAX-UKRAINE) — Ukraine supports a peace settlement in former Yugoslavia; the conflict should not be solved by force, Ukrainian Foreign Minister Hennadiy Udovenko told a news conference in Kiev Wednesday [6 September].

At the same time, Udovenko admitted that the presence of a U.N. peacekeeping contingent in former Yugoslavia showed that "the U.N. peacekeeping forces did not work."

Speaking on the Ukrainian president's initiative to hold a Balkan summit in Kiev, Udovenko underlined that Ukraine did not pretend to play any part. However, the presence of over 1,200 Ukrainian peacekeepers in former Yugoslavia enabled it "to say its word."

Possible Role in Balkan Conflict Discussed

WS0609142195 Kiev ZERKALO NEDELI in Russian
No. 35 (48) 2-8 Sep 95 p 5

[Article by Oleksiy Mostovyy: "Ukraine's Role in the Balkans. The Opinions of Optimists and Pessimists"]

[FBIS Translated Text] *The following is an excerpt from a Ukrainian Foreign Ministry statement issued on 31 August 1995: "The tragedy that took place in Sarajevo as a result of unprovoked shelling of the city's downtown by the Bosnian Serb artillery shocked the entire world. As a result of this act of barbarism, 37 civilians were killed and over 80 seriously wounded.*

"The massive bombardment of the Bosnian Serbs positions by NATO's air force and the artillery of the UN Rapid Reaction Force is a logical reaction to the continuing criminal actions against the civilian population of Sarajevo. The aforementioned actions by NATO, conducted in accordance with Security Council resolutions and supported by the UN secretary general, followed a careful examination, which undoubtedly confirmed that the fatal shelling of downtown Sarajevo was conducted by the Bosnian Serbs."

As BBC reported, "at the same time, President Kuchma, on a visit to Crimea, told reporters that he does not support such methods, referring to the use of force by NATO. The president added that this display of force will not be positively received by the warring sides of the conflict. Mr. Kuchma believes that negotiations are a promising way, and, as an example provided Chechnya, in which the Russians failed to end battle against Chechen separatists after protracted forceful actions, and they had to sit at a negotiating table."

The lack of coordination between the assessments of the events in the former Yugoslavia presented by the Ukrainian Foreign Ministry and President Leonid Kuchma confirms the lack of maturity, integrity, and definition of Ukraine's policy toward the Balkans.

At the same time, official Kiev's ambitions for Ukraine's possible peacemaking role in overcoming this crisis cannot go unnoticed.

While addressing journalists upon his return from former Yugoslavia, Ukrainian Deputy Foreign Minister Volodymyr Khandohiy stated the following:

Our delegation's visit became an extraordinary event in Ukraine's foreign policy. It confirmed Ukraine's wish to increase its participation in the peacemaking process in this region, as well as the warring sides' readiness to accept its increased participation. Belgrade was the first stop in our visit. During the talks, our delegation was received by Ser-

bian Prime Minister Mirko Marjanovic, to whom we handed a personal letter from Ukrainian President Leonid Kuchma to Serbian President Slobodan Milosevic concerning the prospects for settling the Yugoslav conflict and increasing our country's role in this process. The letter contained an official invitation from President Kuchma to President Milosevic to arrive in Kiev for a meeting with the leaders of all sides of the conflict. During the talks in Belgrade, Marjanovic highly assessed Ukraine's unbiased position on the issue of settling the Yugoslav crisis, and emphasized that, on its part, Serbia welcomes our active participation in the process of searching for a truce suitable for all sides. He supported the continuation and invigoration of contacts between our countries on both the bilateral level and within the framework of international efforts. I would like to emphasize that a significant part of the negotiations in Belgrade was devoted to issues concerning the lifting of the sanctions against Yugoslavia. As everybody knows, Ukraine has long been advocating — in both the United Nations and its bilateral relations — the need to lift the sanctions, which, in our opinion, have exhausted themselves, and are no longer efficient. We now have a unique chance to continue the negotiating process. We are currently witnessing that the Federal Republic of Yugoslavia (FRY) has made certain steps which require an adequate reaction from the international community. The FRY leadership accepted Ukraine's initiative, and asked us to work in this direction. Of course, the lifting of the sanctions should be viewed in the context of progress at the talks on peaceful settlement of the conflict. We cannot speak differently about the sanctions and the political aspect — these are two elements of one process.

We think that the sanctions can be lifted accompanied by a package of proposals — which have already been presented by Ukraine and other countries. In particular, this relates to the proposal about mutual recognition among the former Yugoslav republics, namely Croatia, Bosnia, and Herzegovina. This is a principal issue emphasized by Croatian representatives, and we believe that it was addressed correctly. We asked Serbian representatives to heed this in their contacts with both ourselves and international organizations.

Of course, we did not receive an immediate response to the invitation included in President Leonid Kuchma's letter. The Serbian side pledged to inform us and present an official response, though they stated that they support in principle Ukraine's intentions to invigorate the search for a peaceful settlement of the Yugoslav conflict. (This

genuinely diplomatic statement can be regarded as both a possible consent and polite response — O.M.)

Also discussed was possible bilateral cooperation after the aforementioned lifting of the sanctions. It was admitted that it is essential to improve the legal basis for this.

During its visit to Zagreb, the Ukrainian delegation was received by Croatian President Franjo Tudjman. He was handed a letter from President Kuchma which offered Ukraine's brokerage in the process of restoring a peaceful process in the Balkans, and contained a corresponding invitation to arrive in Kiev to participate in a meeting with other sides of this conflict.

I would like to emphasize that during our conversation Tudjman positively assessed President Kuchma's invitation, and openly stated that he is not against holding such a meeting in Kiev.

Naturally, in both Belgrade and Zagreb issues were also raised concerning the correlation between proposals presented by Ukraine and other countries. We understand that this will be examined in the general context, and that there is no competition in this area. The direct participants will choose a site for their meeting, and this choice will be based on all proposals presented by many countries.

During our conversation with Tudjman we discussed issues of bilateral cooperation. The talk was about completing the drafting of a treaty on friendship and cooperation between Ukraine and Croatia, which is currently at the final stage of preparation. We agreed that a group of Ukrainian experts will visit Zagreb in the immediate future to coordinate this treaty, with the aim of initialing it during an upcoming visit to Kiev by the Croatian foreign minister, scheduled for early November.

During the visit to Zagreb, we held a meeting with a Bosnian Government representative, who was handed a letter from the Ukrainian president to Bosnian President Izetbegovic.

Undoubtedly, to improve its foreign policy image, it would be very important for Ukraine to play a noticeable role in the process of settling the conflict, on which the United Nations, NATO, Washington, and Moscow "have already broken their necks."

At the same time, not everything is as cloudlessly promising for Ukraine as one would like. Kiev will perhaps attach greater importance to its own peacemaking initiative. It seems that people from the two pompous palaces present their wishes as the reality. In the opin-

ion of optimistic experts from the Mykhaylovskaya Street [presidential palace], Ukraine can play one of the leading roles in the process of settling the Balkan crisis.

However, having listened to several experts bearing a direct relation to the diplomatic and military aspects of the events in Yugoslavia, and who have been staying there not for a day or week but months and years, one can sketch a somewhat different picture.

Although Ukraine is trumpeting its unbiased position on the Balkans everywhere, at the same time it believes that the lifting of the sanctions — from which many Ukrainian companies, including the Danube steamship company, are suffering — should be the first step along the path to peace. This probably does not smack of altruism. But, as a matter of fact, altruism should not exist in politics.

The Ukrainian battalion's contribution has been addressed repeatedly. At the beginning of the conflict, it was indeed Ukraine's success that one of the first "blue helmets" in Yugoslavia was a Ukrainian. This was a wise thing to do, though the situation has currently changed. The United Nations is not coping with the conflict, and its actions are inconsistent, which makes the golden sand pour quicker, and not only out of the pocket of the Ukrainian state coffers. Even respected UN experts are unable to unknot this fanciful construction of nations and denominations. Civilized politics has always been based on flexibility and compromises, and as experience has shown, the viability of any compromise is very low in the Balkans.

As for the Ukrainian military contingent, the "blue helmets" resemble groups of forgotten orphans under the new tactics presented by the Rapid Reaction Force. By sending its representatives to Yugoslavia, Ukraine has not managed to set up a monolithic and mobile team of soldiers and politicians able to easily regroup. Why does Ukraine come in one of the leading places in terms of the number of soldiers in the peacekeeping contingent, while at the same time we are represented by few people in the armada of UN white-collar peacemakers? Let us look at Denmark, for example, whose representation amounts to 200 people, the majority of whom occupy key offices.

Everything can be easily explained. Ukraine has excellent soldiers, though not military diplomats. Currently, a gradual withdrawal of the military contingent and a simultaneous enlargement of the number of Ukrainian observers would be perfect for Ukraine. But there is a snag in this option as well: We do not have enough professionals.

Our country's wish to score some points in the eyes of the world community in the game of taming wild bees in the peaceful European hive is understandable. This, however, requires great professional potential, of which we, unfortunately, cannot currently boast. (Disregarding the five or six experienced diplomats, which is not enough).

The following conclusion can be drawn from the aforesaid: In the current situation, it is actually better for Ukraine to quietly clear a path leading to a negotiating room, and to work so that the steps of the three Yugoslav leaders are heard in this so far empty building.

Pessimistic experts are convinced that, at the current stage, we can assume at best the role of organizer, similar to that which Budapest played during last year's summit of the Organization for Security and Cooperation in Europe. We are not up to the acclaimed role of a broker. The United Nations, whose assets include merely one efficient operation in Zaire, has also proved to be helpless here. In the opinion of the majority of professionals dealing with this issue, only either so-called "personalities" (Carter, Owen, etc.) or international organizations less amorphous than the United Nations can act as brokers in the process of settling the Balkan conflict. Seemingly, all of these forces have already tried to act as brokers or regulators, and have suffered a defeat. However, the paradox lies in the fact that among them one should search for a possible broker, whose appearance is becoming increasingly urgent, despite the upbeat statements about progress in the process of settling the Balkan crisis. Experienced UN officials bearing a direct relation to this European hot spot are predicting the calm before the storm. In their opinion, the military conflict will enter a stage of remission until nationalist states with regimes similar to that of Germany in the 1930's and 1940's (Serbia for Serbs, Croatia for Croats, etc.) are formed. After conducting a filtration according to nationality, the ethnically clear legions will advance against one another to take revenge. A large-scale war will then begin.

Judging by all appearances, in the process of resolving the Yugoslav issue, one should not act according to the principle "Let us engage in battle and then we will see...." Not as efficiently, though more usefully, Ukraine could perhaps use its brokering potential in CIS hot spots (Georgia, Abkhazia, the Transdnister region, etc.). And after gaining experience, it could offer its services to the world community.

There is nowhere to rush — there are enough conflicts for us. Meanwhile, one should not saw bars, even if they are golden, if the tool has not been sharpened. Let a jeweler do that, and the results will be better.

Black Sea Fleet's Division, Policies Viewed

WS0609134295 Kiev VSEUKRAINSKIYE
VEDOMOSTI in Russian 30 Aug 95 p 3

[Report by S. Nesterenko: "Can Russia's Breakup Resolve the Problem of Black Sea Fleet Division?"]

[FBIS Translated Text] Currently, the problem of the Black Sea Fleet's division resembles, as in former times, an inveterate, chronic disease — regular "recovery" symptoms are followed by much more painful relapses. After the Sochi summit, at which it seemed that a light had appeared at the end of the tunnel, the Ukrainian and Russian sides have again found themselves in a deadlock trying to put into practice the theoretical achievements of the two presidents. The affairs reached such a stage that the meeting between the Ukrainian and Russian prime ministers scheduled for 2 August was derailed. After the next (whichever number) stage of the experts' work, a new date has been set for the leaders' meeting; according to Yevhen Marchuk it is between 30 August and 2 September. Are they going to find a way out of the deadlock this time?

The "Pendulum" Has Swung to the Kremlin Side

There are quite a few contradictions with regard to the specific clauses of the division, such as bays, bases, and other infrastructure elements.... There is no sense in naming them since the press has discussed this issue many times. And, no matter how paradoxically it may sound, it is not the point. The problem of the Black Sea Fleet's division lies in the fact that it is a kind of indicator of the overall condition of Ukrainian-Russian relations, as well as the strength of each of the sides. The swinging of the "pendulum" — from success to failure and vice versa — has been determined by secret political games, international activities by both sides, and the specific interests of their leaders during the meetings between the delegations involved in negotiating the Black Sea Fleet's division. So, what kinds of factors are currently at play?

The current situation is less favorable for Ukraine than it was on the eve of the Sochi summit. At that time our state was rapidly gaining dividends in relations with the West, at the same time that Russia was rapidly losing points. In Sochi, the Ukrainian side had the secret support of Western leaders; those leaders "suddenly" saw in the Russian Federation a potential menace for the world community, given the war in Chechnya, and the overall political instability inside that state. Voices in the U.S. Congress, demanding the reduction of financial assistance for Russia and its enlargement for Ukraine, began to sound much louder. The EU had an intention "to freeze" the number of large joint programs with the

Russian Federation. In this situation, Moscow's pressure on Ukraine would evoke an adequate reaction from the West, striking a boomerang back at Moscow. Therefore, this is perhaps the reason why Russia, for the first time in all the history of the Black Sea Fleet's division, made a step to meet Ukraine halfway by agreeing with the Ukrainian formulation to base the Russian Fleet in Sevastopol.

Soon however, the situation changed. The war in Chechnya was almost over, the EU did not begin "to freeze" programs, and Ukraine, unlike the Russian Federation, was not invited to the G-7 session in Halifax. The strengthening of Russian position immediately led to a toughened stance during the Black Sea Fleet negotiations.

Ukraine's Ministry of Foreign Affairs' Mysterious Policy

During that period, Ukraine managed to lose many achievements reached on the international arena during the first six months of 1995 due to the — moderately speaking — strange policy of Ukraine's Ministry of Foreign Affairs. The president's numerous meetings with the leaders of the leading Western states had built an excellent "platform" for relations between them and Ukraine. However, instead of expanding those relations as actively as possible, and solidifying the achievements, Ukraine's Ministry of Foreign Affairs — as if forgetting about the existence of the United States and its most powerful allies — began to solidify cooperation with Third World states, which, with all due respect, are difficult to regard as the most influential ones.

The Ministry of Foreign Affairs' passive stance on relations with the Russian Federation cannot but evoke surprise. Currently, it would be difficult to name a single serious issue which has been discussed recently, not by the presidents or prime ministers, but on the level of the heads of Foreign Ministries. Such an unreasonable policy pursued by our Ministry of Foreign Affairs cannot but weaken Kiev's position in negotiations with Russia.

The overall essence of contradictions between Ukraine and Russia over the Black Sea Fleet's division has been accurately characterized by a journalist, who said: "The Russian Federation wants to have everything. However, Ukraine wants to yield as little as possible, while keeping as much as possible." Naturally, such a scenario is not possible; however, each of the sides is trying to get the most out of its own plan. At present, Russia has a bigger chance to win, and not only because of the certain solidification of its authority on the international arena. The autumn season has

become the Russian Federation's "ally", since this is a period during which the problem of the provision of energy resources becomes particularly urgent for Ukraine. And energy resources have always been the Kremlin's primary pressure tactic on Kiev.

Will Time Become Our Ally?

According to one of the politicians close to the leadership of Ukraine's Cabinet of Ministers, Moscow will finally succeed in obtaining from Kiev significant concessions concerning the Black Sea Fleet's division. The economic problem of energy shortages is being deepened by political problems. According to many forecasts, mass protest actions are expected in the fall, which will be organized by both rightists and leftists, and which will be directed against the president. To withstand this, the Ukrainian administration needs to prevent a decrease in the nation's standard of living. However, the shortages in energy resources can lead exactly to such a result. Finding themselves between the devil and the deep blue sea, the Ukrainian leadership is very conceivably going to choose the lesser evil: It is better to lose a part of the Black Sea Fleet's infrastructure than deprive the state of light and heat. In any case, the prime minister's retinue says that his stance on this issue is determined: The Gordian knot of the Black Sea Fleet should be cut as soon as possible.

At the same time, a different, "shadow" point of view exists in governmental circles, as well as among the president's analysts. People from those circles believe that Ukraine's policy should be the maximum prolongation of the negotiation process. The calculations are simple: Currently the Russian position is strong, however, tomorrow everything may change. Russia is in danger of an internal disintegration. Some of the political scientists forecast a "march of sovereignties" in the Russian autonomies in the immediate future, as a result of which the Russian Federation will lose the status of a superstate. Should this happen, the Black Sea Fleet problem could be resolved to Ukraine's advantage.

Such a development of events is fully realistic; however, the sad example of Chechnya can evoke centrifugal tendencies in Russia. And even if a breakup occurs, at the moment it is difficult to precisely predict the exact date. Meanwhile, Russian analysts cannot also rule out the possibility of such a development of affairs. Therefore, the Russian Federation will most likely try to accomplish the Black Sea Fleet's division in the shortest period of time. Thus, for Ukraine this is not a matter of whether to make any concessions or not, but of how to make them as minor as possible. This will depend on the policy pursued by the Ukrainian delegation during the negotiations.

Kuchma Discusses Black Sea Fleet With Sevastopol Mayor

LD0609154095 Moscow INTERFAX in English
1317 GMT 6 Sep 95

[FBIS Transcribed Text] Sevastopol, 6 Sep (INTERFAX-UKRAINE) — Ukrainian President Leonid Kuchma met in Crimea on Tuesday [5 September] with Viktor Semenov, head of the Sevastopol city administration, aspects pertaining to the implementation of the Sochi accord on the Black Sea Fleet (BSF) concerning the development of Sevastopol's social infrastructure.

In the course of the meeting which lasted one hour fifty minutes and proceeded in a constructive atmosphere, the President described as positive on the whole the proposals of the city authorities for the development of the city's industry, its agro-industrial complex and social infrastructure and promised support for their realization, an "INTERFAX-UKRAINE" correspondent was told at the city administration of Sevastopol. Yet the administration did not specify precisely what proposals had come up for discussion at the meeting.

The Sochi accord on the BSF signed by the Presidents of Ukraine and Russia on June 9 1995 says among other things: "The main base of the BSF of the Russian Federation together with the Headquarters of the BSF of the Russian Federation stationed at it, is in Sevastopol. The BSF of the Russian Federation shall use the BSF facilities in the city of Sevastopol and other points of basing and places of disposition of ships, airforce, coastal troops, operational, combat, technical and logistic support facilities in Crimea".

Sevastopol Threatens To Cut BSF Electricity

LD0609154595 Moscow ITAR-TASS in English
1455 GMT 6 Sep 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] Sevastopol, September 6 (ITAR-TASS) — The city administration head in the Crimean port of Sevastopol, Viktor Semenov, on Wednesday [6 September] threatened to cut off power supplies to the Black Sea fleet because of the latter's debt amounting to 3.5 million dollars.

The fleet, currently a joint property of Russia and Ukraine, also faces claims from local tax inspectors amounting to another 860,000 dollars.

However, the fleet's command branded the threat to cut off electricity as a matter of purely political character. According to its spokesman, the fleet regular payments to Ukraine are many-fold bigger than the mentioned sums.

National Affairs

Greenpeace-Ukraine Activists Picket French Embassy

LD0609204795 Moscow INTERFAX in English
1651 GMT 6 Sep 95

[FBIS Transcribed Text] Kiev, September 6 (INTERFAX-UKRAINE) — The Ukrainian Greenpeace has picketed the French Embassy building in Kiev on Wednesday in protest against the French nuclear test on Mururoa Atoll on September 5.

"The blast conducted by France may serve as the beginning of an end to peace initiatives," Anna Tavetkova, a Greenpeace-Ukraine activist, told newsmen.

Representatives of Greenpeace-Ukraine disclosed that they had addressed letters to the President of Ukraine and French President Jacques Chirac. "Ukraine is a non-nuclear state, and we demand security guarantees both for ourselves and other countries," says the letter from Greenpeace-Ukraine.

According to the data of Greenpeace-Ukraine, a total of eight thousand signatures have been collected in Ukraine out of the 4.5 million signatures collected world-wide against France's decision.

Lugansk Leftists Initiate Referendum on Power

WS0609122495 Kiev VSEUKRAINSKIYE
VEDOMOSTI in Russian 30 Aug 95 p 3

[Report by Yu. Yurov from the "Geneza-Skhid" Political Research Center: "The Leftists From Lugansk Oblast Are Preparing an Anti-Presidential Referendum"]

[FBIS Translated Text] Once again, ultra-leftist forces from Lugansk have undertaken an attempt to take political revenge. In cooperation with the leadership of the oblast's leftist forces coalition, comprised of: Ukraine's Communist Party, Ukraine's Socialist Party, Ukraine's Civic Congress, "Working Lugansk" party, the Leninist Young Communist League of Ukraine, the Russian Communist Party (of Bolsheviks), the Working Women's Union, the organizations "Unity," "Rus," "Motherland," and the Donetsk Cossack Union, they decided to initiate a Ukraine-wide referendum on the issue of power. The following questions are being proposed for national debate:

- Do you support the signing of a union treaty with Belarus and Russia?
- Do you support the priority nature of state and collective forms of ownership for land and industrial enterprises?

— Do you support the resumption of the central administration of the national economy?

— Do you support the abolition of Section 12-1 of the currently existing Constitution, entitled "President of Ukraine", and of the articles which concern presidential forms of governing?

— Do you support the abolition of the Ukrainian SSR's Law "On the President of the Ukrainian SSR"?

— Do you support the confirmation of the Ukrainian, SSR's Constitution of 1978 in its original form, which ensures the right to work, free education and health care, social protection of pensioners, and the resumption of the Ukrainian SSR's national emblems?

The ideas raised and discussed at the organizational meeting concerned the necessity to revive the USSR and to hold a court trial of democrats. The state's leadership was accused of genocide against its own nation. In addition, Lugansk Oblast Administration Chairman Petro Kupin, who had been recently appointed by the Ukrainian president, sat in the presidium, and together with Petro Symonenko, first secretary of the Central Committee of Ukraine's Communist Party, obediently voted for the dismissal of his direct chief. In his concluding speech, he thanked the participants in the meeting for the endeavor they initiated on behalf of the oblast administration and the Oblast Committee of Ukraine's Communist Party.

Justice Ministry Annuls Registration of UNA

LD0609203495 Moscow INTERFAX in English
1627 GMT 6 Sep 95

[FBIS Transcribed Text] Kiev, Sept 6 (INTERFAX-UKRAINE) — The Ukrainian Ministry for Justice has annulled its earlier decision on the registration of the Ukrainian National Assembly (UNA).

Acting Ukrainian Minister for Justice Vladimir Chernysh signed an order today on annulling the Ministry's decision of December 29, 1994, under which the UNA was registered as a political party.

INTERFAX-UKRAINE has received the text of the order under which the registration of the UNA, an extreme nationalist organization, is recognized as contradicting present legislation.

The Ministry for Justice's collegium was instructed to launch an investigation of the violation of legislation admitted during the UNA's registration.

The UNA was created in 1990 under the name of the Ukrainian Inter-Party Assembly. The UNA organized UNSO paramilitary formations at the beginning of 1992. UNA-UNSO members fought in Moldova in 1992 on the side of the self-proclaimed Transdniester Repub-

lic. UNA-UNSO fighters represented their actions in Moldova as protection of the Ukrainian ethnic minority there. About 100 UNSO fighters took part in the Georgian-Abkhaz conflict in 1993 on Georgia's side. After the Ukrainian parliament introduced criminal accountability for the creation of illegal military formations and participation in such formations, the UNSO ceased to advertise its activities.

Zvyahilskyy Appeals Plans To Remove His Immunity

LD0609212995 Kiev UNIAN in Ukrainian
1440 GMT 6 Sep 95

[FBIS Translated Text] Kiev — Yukhym Zvyahilskyy, the people's deputy of Ukraine and former acting prime minister of Ukraine, has sent a letter to the Supreme Council of Ukraine through a Kiev legal firm "Zlahoda," in which he formulates his vision of the situation, in which his name is implicated. UNIAN has learned about this from informed sources close to the Supreme Council Presidium.

The former head of government of Ukraine has said that "the main falsifier of "Zvyahilskyy case" is Vladyslav Datsyuk, the prosecutor general of Ukraine, who, disregarding the principle of the presumption of innocence, from the parliament's rostrum, declared the deputy guilty of committing a crime."

"In reality, I am the victim of a political persecution on the instruction and under pressure from the current president of Ukraine and his team," says the appeal.

Yukhym Zvyahilskyy says that the accusations against him of "undermining the defense ability of the country through selling aviation fuel at a discount price" are "a lie" because, as he claims, "in the opinion of independent experts, the aviation fuel was sold at a totally acceptable price."

Yukhym Zvyahilskyy believes that the information about his alleged "Israeli citizenship" was "fabricated by the prosecutor general." He asserts that he did not receive an Israeli passport in the first half of 1994 and the number quoted by the prosecutor general in his accusations is in reality the number of the certificate under which he resides in Israel, and which was received in March 1995.

He says that he does not abandon the idea of returning to his motherland, but "the threat to his life prevents that." Yukhym Zvyahilskyy is convinced that the objective investigation can be conducted only by a special parliamentary commission made up of economists and lawyers, which, he believes, should be set up and to

which he is prepared to give all the necessary materials in his possession.

The people's deputy appeals to his colleagues not to make a hasty decision by relieving him of his deputy's mandate, and declares that the campaign organized against him is a revenge of certain circles and structures whose interests were infringed by the government he headed.

The Supreme Council of Ukraine plans to consider the issue of lifting the deputy's immunity from Yukhym Zvyahil'skyi on 14 September. The letter in question was considered at the session of the Presidium of the Supreme Council and it is possible that it will be submitted to the session.

Kharkov Head Wants Chance To Solve Ostankino Problem

LD0609183195 Kiev UNIAN in Ukrainian
1435 GMT 6 Sep 95

[FBIS Translated Text] Kharkov — Oleksandr Maselskyi, the head of the [Kharkov] regional state administration, has appealed to Ukrainian Prime Minister Yevhen Marchuk for permission for the local authorities to solve independently the issue of financing and relaying the Russian Public Television in Kharkov Region before the final decision regarding the relaying of the Russian Public Television is taken at a state level.

If the issue of the Russian Public Television is not solved positively at the state level, Oleksandr Maselskyi asks that the regional executive authorities should be given a chance to obtain a licence to use the one meter range to relay the Russian Public Television in Kharkov Region at the cost of the region's funds.

Russian-Speaking Ukrainians Want Russian TV Back

LD0709105795 Moscow ITAR-TASS in English
0919 GMT 7 Sep 95

[By Anatoliy Gordeyev]

[FBIS Transcribed Text] Lugansk, September 7 (ITAR-TASS) — Over 200 people took part in a protest outside the building of the Lugansk city council demanding that the programmes of the Public Russian Television (ORT) be restored on Channel One. Earlier, the ORT programmes in the whole of Ukraine were switched to a decimetre wave band, by order of head of Ukraine's TV and Radio Committee Zinoviy Kulik.

The protest was organised by the Civil Congress of Ukraine and backed up by socialists, communists, coal miners, Cossacks and workers from the Ukrainian towns

of Severodonetsk and Krasny Luch with a predominantly Russian speaking population.

The protesters demanded that the local legislators take a decisive step and adopt a decision to restore broadcasting in Russian as before.

Authorities in the Nikolayev, Odessa, Dnipropetrovsk and Donetsk regions, as well as in the Crimean republic, where Russian is widely used along with Ukrainian, have satisfied similar demands.

'Sea Launch' Spacecraft Project Criticized

WS0709103895 Lvov POST-POSTUP in Ukrainian
No. 27 (185) 17-31 Aug 95 p 6

[Article attributed to INFOBANK: "Ukraine Is Eager To Enter Space, Though It Is Already Crowded Without It"]

[FBIS Translated Text] The Ukrainian rocket-building industry is steadily developing, and is starting to enter the international market. The U.S. Boeing Corporation, the Norwegian Kvarner Company, the Russian Energiya scientific production amalgamation, and the Ukrainian Pivdenne design bureau have recently decided to set up "Sea Launch," an international joint venture, in order to launch commercial satellites from the Pacific Ocean region. The Ukrainian and Russian project participants will design the booster rocket, a special launching pad will be produced in Norway, and the final assembly will take place in the United States. Boeing will conduct the marketing research and look for customers. The first launch from the sea launching site has been scheduled for 1998.

Another round of talks between representatives of the U.S. Department of Trade and the Ukrainian National Space Agency [NKAU] on joint launches of commercial communications satellites and remote earth probes will be held in Vienna on 28 September. It is expected that the spacecraft will be put into orbit by Ukrainian Zenit booster rockets. This was reported by NKAU representative Eduard Kuznetsov, a member of the Ukrainian delegation which recently returned from Washington. According to him, the sides reached a principal agreement on joint launches. At the Vienna meeting, they will only have to coordinate financial issues. Although the Ukrainian delegation suggested holding such a meeting in Kiev, the U.S. side insisted on meeting on neutral territory. Eduard Kuznetsov explains that difficulties with the signing of a Ukrainian-U.S. agreement on commercial satellites launches are connected with the fact that, in terms of their technical parameters, the Zenit booster rockets are competing with their French Arian-4 and Arian-5 equivalents. Thus, France is afraid

of being squeezed out of the international market. Eduard Kuznetsov pledged, however, that the final version of the agreement, which will be effective until the year 2001, will be coordinated at the September meeting. U.S. satellites and other spacecraft will be launched by the Ukrainian booster rockets from the Russian Baykonur and Plesetsk launch sites, for which the Ukrainian side will pay Russia according to contracts which remain to be signed.

According to Ihor Lytvyn, chief of the Ukrainian Foreign Ministry Second Territorial Directorate, during a visit to Kiev by Chinese State Council Premier Li Peng, it was noted that one of the most promising branches of Ukrainian-Chinese cooperation is the space industry. An agreement on cooperation between the Ukrainian and Chinese space agencies is currently being drafted.

The first Ukrainian satellite, Sich-1, will be launched by the Ukrainian Tsyklon rocket from the Baykonur launch site within the next two or three months. The satellite will conduct remote probing of the earth for the Ukrainian State Committees for Hydrometeorology, Geodesy, and Cartography, and will take photographs via ultrashort spectrum. The launch of the satellite will cost Ukraine approximately 4 trillion karbovantsi [K]. The project is financed by NKAU, which signed a contract with Russia on preparing, launching, and guiding the flight during the first two weeks. The command will then be handed over to Ukrainian surface services, as NKAU Deputy Director General Valeriy Komarov has reported. According to him, 30 unique surface systems for guiding space flights remained in Ukraine after the collapse of the USSR. Although three years ago they were separated from the Russian command system, Ukrainian experts have kept the systems operating since then. A recent experiment with guiding an Okean-type satellite — which is currently circling around the earth — proved that all of the 30 systems are operating. Sich-1 also belongs to this type of spacecraft. Currently, Ukrainian experts are modifying them.

Even shipbuilders are trying to join the development of the Ukrainian rocket-building industry. As POST-POSTUP has already reported, the management of the Mykolayiv shipbuilding plant has proposed to transform the unfinished Varyah aircraft carrier into a sea launch pad for spacecraft.

However, former NKAU chief Andriy Zhalko-Tytarenko deems this project unrealistic. He believes that to reequip Varyah into a launch pad, the aircraft carrier's interior must be completely reconstructed. The main obstacle, in the opinion of Zhalko-Tytarenko,

is the instability of the ship's deck; it is efficient for starting airplanes, but not for launching spacecraft.

It should be noted that, in general, Zhalko-Tytarenko assesses the aforementioned projects with skepticism. The implementation of the "Sea Launch" project, in his opinion, will certainly encounter international legal problems connected with nonproliferation of rocket technologies. For example, nobody knows on which country international sanctions will be imposed if secret information about rocket technology leaks outside the boundaries of the quadrilateral alliance. It is also unclear who will pay compensation for damage to the Pacific Ocean. In addition, he feels that 1998, the planned date for the launch, is unrealistic due to technological reasons, and attempts to meet this deadline represent an unjustified risk.

Zhalko-Tytarenko believes the Ukrainian aircraft- and rocket-building industries will be ruined if their financing methods are not altered in the immediate future. According to estimates, NKAU needs at least K11-12 trillion annually. He believes that these branches are currently in a very difficult situation, because of their very long production cycles. For example, it takes up to two years to assemble a rocket at the Pivdenmash plant. Thus, he thinks that Ukraine does not need to independently produce and launch rockets. He believes the desire to achieve a full space industry program — from production to launching — is unrealistic, and may result in a fiasco in all areas of the development of Ukrainian space industry. The Ukrainian Zenit rocket will hardly "penetrate" European markets, since in many respects it is very similar to the French Arian-4 and Arian-5 rockets, and France will fend off competitors. Zhalko-Tytarenko thinks that the joint Ukrainian-U.S. project "Global Star", in which domestic Zenit rockets will be used to place communications satellites into orbit from the Baykonur launch site, is promising for Ukraine. He says that although Ukraine will not profit much from these launches, it will mean access to the world market, as well as the possibility of using the production capabilities of space industry companies.

The following question arises: Did Andriy Zhalko-Tytarenko not become the FORMER chief of NKAU because of his skeptical opinions on the development of this branch?

Economic Issues

Unpaid Bills Promise Winter of Power Cuts

MM0709083095 Moscow IZVESTIYA in Russian
2 Sep 95 p 1

[Article by Yanina Sokolovskaya: "Hard Winter in Store for Ukraine"]

[FBIS Translated Text] Kiev — At present around 8,000 Ukrainian enterprises have had their power cut off because of chronic nonpayment. With the approach of winter the situation could become even worse. This was the subject of discussion at a briefing at the Ukrainian cabinet of ministers in which the following took part: Vasyl Yevtukhov, Ukrainian deputy prime minister in charge of the fuel and energy complex; Oleksiy Sheberstov, minister of power and electrification; and Yevhen Dovzhok, chairman of the Ukrainian State Committee for Oil and Gas Supply.

According to their calculations, the stocks of coal, fuel oil, and gas are so paltry that they will allow only a minimum temperature to be maintained in the heating systems — just sufficient to prevent pipes splitting. Kiev, Dnepropetrovsk, and Odessa, which ran up debts of 8 trillion karbovantsi during the last heating season and have failed to repay them to the exchequer, will probably be colder than the rest.

The final verdict — the length of time electricity will be supplied to the cities — has not been rendered yet, but the Ministry of Energy and Electrification is threatening to cut electricity supply by around two hours each day. Odessa, Ternopol, and Khmelnytskyi are already experiencing a regime of stringent energy savings and outages. The capital is next in line. Disheartened city-dwellers have tried to raise their voices in protest, but it is pointed out to them that in the villages "electricity is switched on only during milking time." This is the way the global state task of "reducing energy consumption in Ukraine by 16 percent" is being tackled. After all these efforts only a 9-percent saving has been achieved, but when the bitter cold sets in this figure "will certainly go up."

Electricity will start to be cut off in Ukrainians' apartments (although it makes no sense, 70 percent of the population of the country receive subsidized electricity, getting it virtually free) and in enterprises. Admittedly, Power Minister Sheberstov did issue the honest warning that "we will cut off the power supply to production, although we don't yet have the details of where it is necessary and where it is impossible to reduce it (here we are relying on the help and advice of the local authorities)." But clearly the Ministry of Power has no other solution — around half of Ukraine's firms do not pay

for the kilowatts they burn. They must be given "exemplary punishment."

Only the chemicals and metallurgy industries, the railroad, and continuous-production units have been declared inviolable.

Having failed to create fuel stocks for AESs and thermal power stations the energy workers have shifted the main burden on to the hydroelectric power stations, which, according to Sheberstov, has produced an environmental disaster: "If the stations operate with such an overload, they will drain the water from the Dnepr and halt river traffic prematurely."

Yet another most unpleasant surprise lies in store for Ukraine this winter — a cut in the consumption of gas. "Russia has helped us out here and increased gas supplies, supplying us with 30 million kw a day," Yevhen Dovzhok reported with pleasure, "although we are unable to pay for even 20 million. Only stringent economies at home will enable us to pay the bill."

In analyzing these conclusions and calculations the Ukrainian cabinet spent a long time considering how to heat the country during the cold winter. Clearly, no fundamentally new solutions apart from stringent economies and higher charges were discovered. "Electricity will either be expensive or completely nonexistent," Vice Premier Yevtukhov said, instructing the countryside to revert to "alternative sources" — brushwood and dried corn cobs. City-dwellers nervously awaiting the cold weather have been advised to stock up on candles and provide themselves with little solid-fuel iron stoves. True, the population has not yet heeded this advice and, on the verge of the cold weather setting in, is mopping up electric and gas stoves from the stores — perhaps they won't cut off all sources of heat at the same time.

Agro Commodity Exchange Expected To Begin

954F3338A Kiev KIYEVSKIYE VEDOMOSTI
in Russian 30 Aug 95 p 4

[Article by Nikolay Zakrevskiy: "The Crops Have Been Harvested. It Is Time To Open the Agricultural Commodity Exchange"]

[FBIS Translated Text]

NEWS

From day to day, the first trading sessions at the Ukrainian Agrarian Exchange (UAB) are awaited. It is an extraordinary event, which shows the intention to sink the plow of market transformations into the layer of fallow agro-industrial soil.

The first furrow of the transformations was cut, as we know, by the president's edict on conducting auctions for the sale of agricultural products. The auctions started in January and continued until the end of July. The grand total of the contracts concluded, according to information from the Ministry of Agriculture and Food, was almost 27 trillion karbovantsy.

This year's delay in exchange trading is related, in the opinion of UAB specialists, to the organizational rearrangement in the high echelon of the agro-industrial sector. The former leader of the Ministry of Agriculture and Food, Yuriy Karasik, became the president's adviser on questions of the agro-industrial complex, and his place was taken by the former chairman of the State Committee on Land, Pavel Gaydutskiy. As one can easily assume, the top interested individuals should participate in the opening of the exchange. I was assured that these changes would not entail adjustments to the already established rules for conducting trading sessions on the exchange. And they promise a great deal that is interesting to businessmen.

The exchange committee will begin the sale of broker seats in the near future. Previously deputy chiefs of oblast agricultural administrations, to whom the farms granted the right to sell their products, acted as brokers at the auctions. According to plan, the price of a permanent seat will be equal to the charter contribution to the UAB—3 billion karbovantsy. The prices of temporary seats, and they will be sold for a half year and a year, have not been determined yet. Participants in trading sessions will have to pay state duties for exchange transactions in the amount of 0.5 percent of the value of the contract (each of the parties) and also 0.1 percent for exchange services. A new procedure will also be introduced for settlements. In the first place, all transactions will go through the UAB account. In the second place, purchase and sale documents will be approved only after payment is made. Previously all contracts were approved by the Ministry of Agriculture and Food directly in the auction hall, and therefore the question of payment did not come up. The individual who purchased grain or oil at the auction could change

his mind later. The current principle of "money in the morning and grain in the evening" should match the buyer's desires to his capabilities. And on the whole, this could determine the objective price for one product or another.

Exchange trading sessions are a value indicator that reflects the conditions of supply and demand. The market price also helps to establish a parity of prices between industrial and agricultural products. The rural areas have suffered because of the lack of correspondence of the latter. The state counted on products delivered by the sovkhozes and kolkhozes at prices set by a ministry memo as of the time of purchase. And during the period between seasons, inflation ate up all the peasants' monetary reserves. As a result, they turned on the printing press. Up to 70 percent of the inflation was from credit emission for the procurement of agricultural products. This undermined the budget and drove production into an impasse. Thus, the "live" money received by the agrarians at the exchange, especially during the period between seasons, will make it possible for the state to refrain from emission sources for credit.

But does the fate of other commodity-raw material exchanges, which suspended their activity because of high taxes on intermediary operations, not await the agricultural exchange as well? That will not happen, I was assured, because the rate of the profit tax for the exchange's activity, according to the new legislation, has been reduced from 75 percent to 30 percent. It is also important that a mechanism has been envisioned for state support of prices at the exchange, as is accepted in world practice. If there is a sharp increase in the demand for one product or another, there will be a commodity intervention—an additional batch will be delivered. This function will be performed by the Agency of the Market for Agricultural Products. The draft of one of the president's last edicts on the agro-industrial complex suggests transferring to the agency 200,000 tonnes of grain and 500,000 tonnes of brewing barley for purposes of commodity intervention.

Belarus

Latvian Premier Arrives; Holds Talks With Chyhir

*LD0609205995 Moscow ITAR-TASS in English
1836 GMT 6 Sep 95*

[By Aleksandr Lyushkevich and Igor Ruban]

[FBIS Transcribed Text] Minsk, September 6 (ITAR-TASS) — Latvian Prime Minister Maris Gailis arrived in Minsk on Wednesday [6 September] on a two-day working visit to hold talks with his Belarusian counterpart Mikhail Chyhir. During the talks, the two sides discussed the use of Latvian ports for the transportation of Belarusian goods.

"We are interested in cheap ports for the republic. We are now discussing proposals made by Russia, Lithuania and Latvia," Chyhir said.

Bilateral Agreements Concluded

*LD0609124495 Riga Radio Riga Network in Latvian
1200 GMT 6 Sep 95*

[FBIS Translated Text] Latvian Prime Minister Maris Gailis is on a visit to Belarus. It was agreed at a meeting with the Belarusian prime minister today to conclude bilateral agreements on aviation, avoidance of double taxation, and on setting up a consulate on the border between the two countries. It is planned to sign the agreements tomorrow.

Hryb Says Law Enforcement Edict Unconstitutional

*LD0609205795 Moscow INTERFAX in English
1651 GMT 6 Sep 95*

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Alyaksandr Lukashenka abused his powers when he signed a recent law enforcement decree, parliament chairman Mechyslaw Hryb believes.

He sent a letter asking the Constitutional Court to rule on legitimacy and constitutionality of the decree.

IF Note: The decree suspended the immunity of Supreme Soviet and local soviet members and the activities of the Free Trade Union and the Minsk subway trade union that organized the August 17 strike in the Minsk subway.

Hryb believes that Lukashenka violated the Constitution which provides for power sharing between branches of authority. Hryb feels that Lukashenka assumed the powers of the legislative branch.

Hryb emphasized in his letter that the Supreme Soviet alone, not the president, is a legislative body capable of amending the Constitution. He explained that the

amendments could be initiated by the president addressing the Supreme Soviet, which Lukashenka did not do.

Lukashenka Addresses Students at Military Academy

*LD0109190895 Moscow INTERFAX in English
1547 GMT 1 Sep 95*

[From the "Presidential Bulletin" feature: compiled by Nikolay Zhrebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Alyaksandr Lukashenka on Friday [1 September] visited the Belarussian military academy founded recently on the basis of the higher anti-aircraft engineering school and the Minsk higher military-political academy. The first classes took place there on Friday.

As he addressed the faculty, President Lukashenka said that before the national military academy was founded there had been quite a few vigorous discussions in the presidential staff and government on where to train military experts, at home or abroad. "The creative discussion ended in favor of establishing a military academy of Belarus not only because the costs would be lower, but because the country must have military personnel deeply aware of the needs and problems of their country", President Lukashenka said.

He declared that the military training reform had also changed the terms of admission in Minsk's Suvorov cadet school. From now on the school will be open only to the children of military servicemen and members of the law enforcement agencies killed in action. President Lukashenka said that was done to make everybody certain that in case of a misfortune the country would not leave the children of its officers in distress.

President Lukashenka on September 1 addressed all teachers, students and their parents on the occasion of the first day of the new academic year.

President Lukashenka recalled that 25,000 boys and girls went to school for the first time. "Belarus would receive skilled personnel and experts in all fields depending on how productive the joint efforts of students and teachers are and to what extent the government proves able to render them material and moral assistance", President Lukashenka said in his message.

President Lukashenka confessed that the salary of teachers did not "quite agree with the realities" and declared that the government had found the resources to pay a 10%-bonus to all teachers. President Lukashenka promised that the government would continue to look for funds to ensure that the difficult work of teachers should be rewarded decently and in time.

President Lukashenka said that "if there are favorable social and economic conditions, the government will let all students use public transport free of charge, for which about 100 billion Belarusian rubles (\$8.5 million) would be required."

About the sensitive points of the education system President Lukashenka said that each country had an education system built on the ethnic and cultural heritage of its people. "However, in Belarus the ethnic idea was given away with unforgivable ease to the ultra-right nationalists, who have over several years managed to turn it into a means to set peoples against each other and provoke ethnic discord, suspicion and mistrust".

President Lukashenka promised that "the ethnic and cultural policy in education he will support and nationalism, unequivocally reject". "In the education system there must be a place for Belarusian ethnic culture and the culture of all peoples living in our republic", President Lukashenka said.

About the reasons why he decided to control the entrance exams in Belarusian institutions of higher learning this year President Lukashenka said he pursued several aims: establishing normal conditions for admission in colleges for ordinary citizens, and not those having connections. He said the admission process was under control and the role of cronyism and bribes in securing admission in college had been minimized.

Reserve Officers Picket Lukashenka Over Accommodations

LD0609170095 Minsk Radio Minsk Network in Belarusian 1600 GMT 6 Sep 95

[FBIS Translated Text] This morning members of the Union of Reserve Officers and their wives organized picketing of the residence of the president of Belarus [Alyaksandr Lukashenka]. One of the main reasons driving them to this action is the absence of flats for former servicemen and their families. The pickets expressed indignation over the law on citizenship. The president of the Republic of Belarus met with the pickets. In conversation with them Alyaksandr Lukashenka said that he shares their concern, but cannot immediately provide accommodation for objective reasons. At present there is nothing available in the budget, but as soon as the opportunity arises, the accommodation problems of former servicemen will be urgently tackled. As for the problem of citizenship, the president gave an assurance that it will also be tackled. After almost 20 minutes of dialogue, at the suggestion of Alyaksandr Lukashenka, the sides agreed to prepare for another meeting in order to find the best way to tackle the problems.

Money Supply Soars, GDP Shrinks

MM0709081595 Moscow IZVESTIYA in Russian 7 Sep 95

[RIA "NOVOSTI" report: "Belarusian Money Supply Up 130 Percent in Seven Months" — from the "Financial Izvestiya" section, p 1]

[FBIS Translated Text] The money supply in Belarus has grown by 130 percent in the first seven months of 1995 to stand at 15.9 trillion Belarusian rubles (around \$1.4 billion) — 17.6 percent of this sum is held by the population. At the same time, the republic's GDP has fallen by more than 12 percent on the same period last year. According to assessments by experts from the National Bank, this could lead to an increase in average monthly inflation from 3-4 percent to 7-10 percent.

Economy Damaged by West's 'Democratic Recipes'

MM0409142495 Moscow PRAVDA in Russian 2 Sep 95 p 1

[Article by Oleg Stepanenko: "Rope With Three Knots"]

[FBIS Translated Text] An academic has clarified the scale of the damage done to a republic's economy as a result of "democratic" recipes prepared in the West.

Readers' responses to PRAVDA articles are a common occurrence. And I would not bother writing about this one were it not a special case, as it were. The doyen of Russian science — Stepan Gordeyevich Skoroparov — was on the line. He is a member not only of the Belarusian Academy but of a number of foreign academies of science. He had some serious comments, as he put it, to make about the article "Herr Minister Wants to Remove Shortcomings" that was published in the 26 August PRAVDA.

The article reported on how Klaus Kinkel, the German foreign minister, turning up in Minsk on an official visit, had thrown his weight around, lecturing people and telling them what the republic and its leadership needs to do. He also quoted calculations of the economic damage done to Belarus — and, even more so, to Russia — during the four years of the destruction of the socialist economy and the progress down the road of the market. In other words, while the recipes developed in the Western kitchen and imposed on our peoples by the "democrats" were being implemented.

For Belarus, where GDP has "shrunk" by a third, the total damage due to lost growth has been calculated at \$58.6 billion at the official 1990 exchange rate — or \$152 billion under the real rate defined by the CIA.

Those were the calculations to which the academician addressed his first serious comment. Stepan Gordeyevich did not question the fact that the damage done to Belarus from lost GDP over the four-year period runs to the figures quoted. On the contrary, he confirmed it. And he unambiguously dwelled on the latter figure of \$152 billion. Because the CIA used the most accurate method to calculate it — the GDP produced in the course of a year in the USSR (924 billion rubles [R]) was converted into dollars, giving a figure of \$2,664 billion. R1 (in material terms the most reliable yardstick) was worth \$2.90 at the time. And the calculations done by Doctor of Economic Sciences N. Sachko of Minsk and other academics confirm that the CIA's calculations were the most accurate.

"Of course, this is a huge sum. But the damage from lost GDP is just part of the damage done to the economy. You forgot about the current fraudulent, extortionate dollar rate. I have done my own calculations," the academician said. "Only, forgive me for being conservative, but I used not the CIA figures but the official exchange rate, and the indicator for national income rather than GDP."

Without in any way condoning Stepan Gordeyevich for his "conservatism" (although calculations using the CIA rate are not only more realistic but more impressive) and given that national income, according to the republic's State Committee for Statistics, comes to approximately three-quarters of GDP — so anyone who wanted to could easily convert national income into GDP — I asked the academician to show me his calculations. I have to admit that they shook me.

Judge for yourselves. In 1990 Belarusian national income was \$35 billion — \$3,500 per capita. In 1994 it was 13 trillion Belarusian rubles — or, at that year's official rate — \$2.79 billion. Just \$279 per capita.

The string of market reforms has produced two knots. The first is the loss of GDP and national income. The second is the fraudulent and extortionate rate of the dollar. As a result, national income in dollar terms has fallen 12.5 times over four years! That can only be termed economic murder. That is the real price of market reforms!

"The overall damage is hard to measure," Stepan Gordeyevich noted. "Foreigners can currently buy far more goods from us per dollar than they can for the same dollar in the United States and the other Western countries. In other words, there is not even a hint of any economically sensible relationship in this area."

Failing to take this market effect into account would mean, in the academician's opinion, concealing the

tragedy of the situation that has been created through the efforts of foreign well-wishers and our own "democrats."

"Unfortunately, you failed to note — to use your image — one other knot in the string that the West has given us," the academician added. "This is the political sabotage against Belarus, Russia, and the other republics of the former USSR. During Klaus Kinkel's visit this can be said to have been almost overt. The German minister, deviating from his program, met with highly placed 'democratic' leaders — Z. Poznyak, O. Trusov, P. Sadovskiy (names as transliterated), and others. These 'figures' clearly back the positions of the Belarusian People's Front — 'no alliances with Russia' — and are zealously pushing the policy of capitalization [no closing quotation marks as published]. Stepan Gordeyevich particularly stressed that this meeting was, of course, no accident. Mr. Kinkel, who once headed the FRG intelligence directorate, has done an enormous amount of work to destroy Yugoslavia and is now making every effort to prevent the unification of Belarus and Russia — effectively, as he himself put it, working to "eradicate the shortcomings in the republic." Chief among these "shortcomings," clearly, is that Belarus is still alive and Russia has not died either.

Moldova

Snegur, Jewish Leaders Discuss Minorities' Rights
AU0609145495 Chisinau BASAPRESS in English
2130 GMT 4 Sep 95

[FBIS Transcribed Text] Chisinau, 04/09/1995 (BAS-APRESS) — Yesterday, 3 September, a Jewish school was opened in Chisinau. This autumn a Jewish high school, the first of the kind in the ex-Soviet area, is to be opened as well. In the Moldovan capital there is another Jewish school, two Jewish kindergartens and a library of Jewish books "Mangher." Teodor Magher, National Relations Department chief expert, told BAS-APRESS in the second half of September the Jewish People's University is to begin its activity. The University was organized with the support of the U.S. Jewish organization "Joint" which opened a branch in Moldova. Between September 9 and 12, at the Department of National Minorities the international symposium "Jewish History, Language and Culture," will be organized by "Joint." It will be attended by scientists from the United States, Israel, Russia, Ukraine, Moldovan Academy of Sciences and State University, Magher informed.

Presidential sources relayed that during today's meeting of President Snegur with Moshe Slonim, chairman of "Ezras Ahim Lyubavich" (The Help of Lyubavich Brothers), Zushi Abelsky, Rabbi from the United States,

and Zalman Leib, chief-Rabbi of Moldova, it was mentioned that in Moldova the rights of national minorities are respected and democratization here is in full swing. "Ezras Ahim Lyubavich" brought humanitarian aid from the United States which was distributed both to Jews and other less ensured sections of the population.

Communists Blame Snegur for Political Tensions

*LD0609154495 Moscow ITAR-TASS in English
1451 GMT 6 Sep 95*

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau, September 6 (ITAR-TASS) — The leader of the Moldovan Communist Party, Vladimir Voronin, has accused President Mircea Snegur of whipping up political tensions in order to avoid responsibility for unfulfilled promises.

By proposing to use Romanian as Moldova's official language Snegur "is trying to inflame political and linguistic passions" in order to "cover flaws in his political image in the ongoing fight for presidency," Voronin said.

"We have already seen the real value of the president's promises to ensure peace, calm and prosperity of people: the bloody conflict in the Dniester region which has claimed hundreds of lives and for which no one has been punished, the divided republic, the semi-paralysed economy, anti-popular privatisation and full impoverishment of people," he said.

Voronin stressed that his party is supported by about 30 per cent of Moldova's voters and will do its best to prevent a new spiral of "political tension coming from the president and preserve stability."

Strike Committee Not To Back Any Political Parties

*AU0609163895 Chisinau INFOTAG in English
1930 GMT 5 Sep 95*

[FBIS Transcribed Text] Chisinau, September 5 (INFOTAG) — The Strike Committee does not interfere into political life, and shall not back any political parties or movements, Committee leaders have stated at today's press conference.

Committee Chairman Anatol Petrencu said that many political forces would dream to utilize the student strike movement in their own interest, but "we shall never agree to that, and we stick only to our demands. If a party would wish to join them, we will not mind," he said.

Ion Siscanu of the committee has admitted that the strikers may come to support a party at the forthcoming

election, but only provided its electoral programme coincides with the committee's claims.

When asked about their attitude to a possible government resignation, Anatol Petrencu replied that the Strike Committee had never demanded the resignation officially, but such claims were voiced during mass rallies.

The committee members have refuted rumours that the student protest movement has been receiving support from abroad, and named as "fabrications" Prime Minister Sangheli's statements on the issue. In the new academic year, the situation in the education sphere keeps on aggravating. In higher educational establishments, the root of hardships is in their having enlisted on contract basis (i.e. for money) some 2-3 times greater a number of freshmen than is technically possible. This has led to an acute shortage of teachers, textbooks in libraries, class-rooms, places in student campuses, etc., which will eventually downgrade training quality, strike leaders said.

Political Leaders Assess Recent PDAM Congress

*AU0609143995 Chisinau BASAPRESS in English
2130 GMT 4 Sep 95*

[FBIS Transcribed Text] Chisinau, 04/09/1995 (BASAPRESS) — Moldovan political parties hold controversial opinions on the 2nd extraordinary congress of the Moldovan Agrarian Democratic Party (PDAM) held September 2 in Chisinau. Valentin Krylov, one of the Socialist Unity Bloc leaders, told BASAPRESS "though PDAM takes a realistic stand, at the Congress no critical analyses of the economic situation has been made and no sufficient measures to beat the crisis have been proposed." Supporting the PDAM critical attitude toward the presidential republic, Krylov said that in order to materialize president Snegur's option, another Constitution should be adopted. "The current Constitution has been adjusted to the model of a semi-presidential republic and once the alterations proposed by Snegur are introduced, all the other constitutional articles on Parliament's functions and balance of powers will have to be altered," Krylov estimated. As for the PDAM Congress decision to hold a referendum on the name of the official language, Krylov suggested that "before debating Snegur's initiative the Parliament should consult the people or just hold an opinion poll." Anatol Taran, Moldovan Social Democratic Party (PSDM) leader, told BASAPRESS "the Agrarians' forum seemed more fruitful and less solemn than the one of the Moldovan Party of Revival and Conciliation (PRCM)." Also, Taran believes the PDAM program adopted at the congress "in spite of its partially general nature, is a step forward toward a doctrine." Asked about the possible referendum on official language, the PSDM leader said "now

is the high time for a referendum on anticipated parliamentary elections. There's no way the referendum proposed by PDAM can settle this matter since it is not clear who will vote and what the non-natives will do." According to Taran, the idea of a presidential republic, actively criticized at the congress, would be a good idea as "the multi-party system does not function yet." "The weak point" of the presidential model is the total dependence of the political system upon the abilities of one person who will be on the top, Taran thinks. Speaking on the variant of two-chamber Parliament, proposed by the PRCM, the PSDM chairman estimated that "it might lead to a presidential dictatorship." According to the same source, the optimum variant of a two chamber parliament would be the election of the upper chamber by the proportional principle and the election of the senate by the majority principle.

The Moldovan Agrarian Democratic Party Congress "has not justified its name of extraordinary congress, for no central decisions have been adopted during it," Vladimir Voronin, Moldovan Communist Party prime-secretary, told BASAPRESS. Voronin wonders why Moldovan insignia was not displayed in the hall of the congress. According to the communist leader, the delegates should have not criticized the Party of Revival and Conciliation without specifying what concrete steps PDAM would take to increase the influence of the ruling party. On the other hand, Voronin supports the idea of a referendum on language. "The Constitution cannot depend on political circumstances, all the more so the President and the parties promised to function in accordance with it," Voronin said, adding the referendum

can be regarded as a measure to protect the Constitution. Valeriu Matei, leader of the Democratic Forces Alliance, told BASAPRESS that the decisions adopted at the PDAM Congress show that "the ruling party has completely lost the sense of political realism and has become a sect of the most conservative persons lacking in national awareness and civil dignity." "The program adopted by the congress is rather superficial and declarative and displays poor political experience and the disability to fix urgent problems," Matei said. He pleaded for anticipated parliamentary elections, for "the current Parliament is used up and does not reflect the actual relation of forces in the society and is not able to take decisions to beat the crisis."

Smirnov Denies Running For Russian Parliament
AU0609145395 Chisinau BASAPRESS in English
2130 GMT 9 Sep 95

[FBIS Transcribed Text] Tiraspol/Moscow, 04/09/1995 (BASAPRESS) — The Dniester presidential press service denied the news that Igor Smirnov would run for the Russian Parliament. According to some information published earlier by the Russian press, Smirnov agreed to be enlisted on the third position in the electoral list of a Russian national-patriotic formation. Previously, the former commander of the 14th Russian army, Aleksandr Lebed declared all Dniester leaders hold Russian citizenship. Lebed himself a Russian citizen was in 1993 member of the Tiraspol Supreme Soviet from which he resigned as a protest against the participation of Dniester commandos in October 1993 events in Moscow.

Kazakhstan

Foreign Ministry Voices Concern at French N-Test
LD0609133095 Moscow ITAR-TASS World Service
in Russian 1023 GMT 6 Sep 95

[By ITAR-TASS correspondent Gennadiy Kulagin]

[FBIS Translated Text] Almaty, 6 Sep — Kazakhstan has received with great concern a report on a new nuclear explosion carried out by France at the Mururoa atoll, a statement from the republic's Foreign Ministry says today.

As a party to the Treaty on Nonproliferation of nuclear weapons, Kazakhstan is against nuclear tests and proceeds from the urgent need to speedily conclude a treaty on banning them worldwide.

Kazakhstan highly values the fact that three nuclear superpowers — Great Britain, Russia, and the United States — are observing the moratorium on testing nuclear weapons. Such an approach creates favorable conditions for preparing a treaty on banning nuclear tests, which it is desirable to sign no later than 1996.

The Foreign Ministry of Kazakhstan believes that all nuclear powers, having agreed — as secured in the final document of the conference on extending the Treaty on the Nonproliferation of nuclear weapons — to display utmost restraint in conducting nuclear tests before a treaty is signed, should adhere without fail to the moratorium on nuclear explosions.

The Foreign Ministry statement stresses that the fact that France is conducting tests goes against the hopes of the international community, that with the indefinite and unconditional extension of the Nonproliferation Treaty the process of nuclear disarmament would become irreversible.

Ethnic Russians Rights Said To Be Hindered
954F3309A Moscow MOSKOVSKAYA PRAVDA
in Russian 9 Aug 95 p 10

[Article by Nikita Nazarov: "Kazakh-Style Eurasian Democracy"]

[FBIS Translated Text] The protection of the basic rights and freedoms of the Russian-speaking population in the near abroad is one of the highest priorities of Russia's national policy. Therefore, some discriminatory norms of the draft new Constitution of Kazakhstan, which was submitted to a national referendum on 30 August, cannot help but be troubling. Without belittling the natural aspiration of the Kazakhs to find their statehood, it is impossible not to take into account the unique polyethnicity of contemporary Kazakhstan, where more

than 120 nations and peoples live. Moreover, there are as many Russians as there are Kazakhs—approximately 5 million persons. Tens of thousands of Ukrainians, Belarusians, Germans, Tatars, Kazakhs, Chinese, Koreans, and peoples of Central Asia and Northern Caucasus live here, many of whom found a second country on this land not of their own free will. This is why the ethnic principles of statehood set forth in the draft are causing regrets and concern.

The "Republic of Kazakhstan" (according to the Constitution of 1993) was called the "Kazakh Republic" in the 1995 draft presented for consideration. Under the pressure of public opinion, the name currently in force was returned to the state in the final variant of the Constitution without alternatives. For the first time, a concept of "Kazakhstani patriotism" was introduced that is completely inexplicable (is it national, or is it territorial?).

It proposes that the "self-determining Kazakh nation" establish "statehood on the age-old Kazakh land." No one is against the preservation of such concepts as "integrity, inviolability, and inalienability of its territory," but historically Kazakhstan never existed as a sovereign state within the framework of the present territory, present borders, and the present composition of the population.

And the absence of an indication of Almaty as the capital of the state reflects the desire of President N. Nazarbayev to move the capital to the city of Akmola (the former Tselinograd) in order to strengthen the Kazakh strata in a region that is most vulnerable in a national respect. However, there is no real money to implement such a large bureaucratic resettlement.

In this veiled way with Eastern subtlety not only is the possibility of establishing national-cultural autonomies inside Kazakhstan suppressed, but the rights of the non-native nationalities of the country are also either rejected, or violated. It is the nonrecognition of the status of the Russians, who consider themselves the population in the northern and eastern lands of the republic from time immemorial (where they are more than 80 percent), that constitutes, as it seems to us, the main idea of the aforementioned wording of the preamble and the attempts to change the official name of the republic.

The ethnocratic character of statehood is reflected in the fact that Kazakh is the only state language. Instead of "a language of interethnic intercourse" according to the Constitution of 1993, what is introduced is "the Russian language is used officially in state organizations and organs of local self-government on a par with the Kazakh language."

It seems to us that this is humiliating for the Russian language, which almost the entire population of Kazakhstan speaks. All official documents are preliminarily studied and prepared in the Russian language and afterwards translated into the state language.

Language discrimination is very simple and easily understood by all elements of the bureaucratic pyramid, and it undoubtedly will also be a powerful generator of interethnic tension and exodus of the Russian-speaking population in the future. Almost a half million Russians left just during the recent years of Kazakhstan's sovereign existence. Their exodus is continuing. They are being squeezed out of the sphere of political and official life.

It is no accident, therefore, that the Russian communities of Kazakhstan appealed to N. Nazarbayev with a public demand to put one more question on the 29 April referendum regarding the question of the continuation of his presidential powers: "Do you agree that there should be two state languages in the Republic of Kazakhstan: Kazakh and Russian?" In reply, N. Nazarbayev declared that the Russian language will not receive the status of a state language, and for persons occupying official posts the requirement to become proficient in Kazakh will be postponed for 15 years.

The example of the president of Belarus who, despite pressure, succeeded in his republic in bringing to a referendum the question of giving the Russian language the status of a state language (83 percent of the voters voted "for"), did not find understanding and support among the authors of the draft Nazarbayev Constitution.

An unsuccessful effort was undertaken in the draft to differentiate the concept of a person and a citizen, and a contradistinction of a citizen of Kazakhstan and a non-citizen is observed. Article 10 emphasizes that "for a citizen of the Republic, the citizenship of another state is not recognized." In the Constitution in force, dual citizenship was recognized for "citizens who were forced to leave its territory and also for Kazakhs who are living in other states."

Dual citizenship, which the Russian communities of Kazakhstan supported, is rejected in a categorical way, which does not at all correspond to the real state of affairs.

The emergence of the institution of dual or multiple citizenship in the post-Soviet states is an objective process. Regardless of the desire or that lack of desire of the politicians, the people want to move freely from one country to another and to enjoy individual rights and fundamental freedoms more widely. Consequently,

there is only one solution—to establish an appropriate legislative base that meets international norms.

After the dissolution of the USSR, the constitutions of a majority of the former republics were reinforced with the privileged position of titular [titulnyy] nations. But realistically, dual citizenship exists on the territory of the former Union de facto, but not de jure. For the time being, only Turkmenistan has officially adopted a Law on Dual Citizenship.

Russia, which was the initiator of dual citizenship, will also have to continuously lobby this question in the future and to facilitate the procedure for all of those former citizens of the USSR who desire to accept Russian citizenship.

The draft emphasizes that "individual rights and freedoms are recognized and guaranteed in the Republic of Kazakhstan in accordance with the Constitution." But why not in accordance with the Universal Declaration of Human Rights and Freedoms, and even of the CIS Convention on Individual Rights and Fundamental Freedoms (approved by a majority of the heads of the CIS states at the Minsk meeting on 26 May 1995, but which, not accidentally, was not signed by Kazakhstan)? Moreover, human rights are significantly limited even in comparison with the Constitution in force. Articles 23-33 put citizens in a privileged position in comparison with non-citizens in basic social guarantees for housing, work, health services, education, private property, social security, etc., when generally accepted human values and international norms should be assumed as the basis.

In such a multiethnic state as Kazakhstan, it should at least have been possible in this transition stage to legislatively reinforce equality and the protection of the rights and interests of all people of a non-native nationality who populate this Republic, and first and foremost Russian fellow countrymen who by the will of fate have ended up a divided people.

The absence in the draft Constitution of clearly defined property rights of citizens and the relegation of these questions to the jurisdiction of acts under the law create real conditions for possible subsequent discriminatory actions with respect to persons with Russian citizenship who continue to reside in Kazakhstan.

Evidently, the objective being pursued here is to restrict the adoption of Russian citizenship by those persons who live in Kazakhstan, but who consider Russia their second country. This also concerns democratically inclined persons of local nationality who were torn away from their ethnic roots and who are the bearers of general Russian culture and supporters of close traditional ties with Russia. It is necessary to pay

attention to this, inasmuch as this rather sizable part of the population performs as the social support of the national policy of Russia in the near abroad.

A distinctive feature of the draft is the belonging of state power to the titular nation.

Only citizens who are fluent in the state language can be elected to the highest elected positions of the state—president and chairmen of the chambers of parliament. The restrictive nature of these provisions of the Basic Law legally contradict not only international norms, but they also do not correspond to other sections of the draft.

Even permitting the well-known strengthening of executive authority under the conditions of a presidential form of rule of a unitary state, it is impossible not to object to the provision introduced into the draft Constitution concerning the unity of state power, while the division being declared here into legislative, executive, and judicial branches of power is of a frankly formal nature.

The entire "system of checks and balances" in this sphere unilaterally boils down only to the unrestricted unprecedented powers of the president. Moreover, the transfer to his jurisdiction of all levers of control and rule over the functioning of the three branches of power are accompanied by his complete release from responsibility for the results of implementing state power both in the political and legal, and also in the economic sphere.

And, finally, Article 94 legislatively fixes the continuation of the powers of the president to the beginning of the next millennium, and the right is practically given to run for office in the next presidential elections for a third term.

Thus, considering the brilliant results of the previous referendum, there is no doubt that the new Constitution will be adopted: It was written under the president currently in office, who is more and more losing the credit of trust among the local Russian-speaking population. All of this is indicative of a consistent approach to absolute rule and an authoritarian regime similar to a feudal khanate. The unconcealed aspiration to create a mononational state on territory where historically a multiethnic system was formed is a serious destabilizing factor, which is also directed against one's own people.

Gizzatov on Russia, Preserving Caspian

954F3270A *Almaty PANORAMA in Russian*
26 Aug 95 No 33, p 4

[Interview with Vyacheslav Gizzatov by Karlygash Yezhenova; place and date not given: "Kazakhstan and

Russia Have Many Common Interests in the Negotiating Process on the Status of the Caspian"]

[FBIS Translated Text] Vyacheslav Gizzatov, deputy minister of foreign affairs of Kazakhstan, comments on the meeting of the governments of Kazakhstan and Russia and also cooperation with the other Caspian states.

[Yezhenova] What is the distribution of positions on the Caspian today? Some people are of the opinion that the negotiating process on the Caspian is reaching an impasse.

[Gizzatov] Quite the contrary. In my view, essentially the Caspian problem came to be considered following the May meeting of experts of the four Caspian states, when there was a transition from lengthy debate to practical discussion. It was then that agreement was reached on the creation of a permanent negotiating mechanism—an expert working group, whose first meeting was held in July in Tehran. As expected, this mechanism worked, and, as a result, the participants in the meeting adopted a very important decision, reaching a conclusion as to the priority nature of the formulation of the legal status and procedures of the Caspian. There had hitherto been another viewpoint in this connection, which was that definition of status would take many years and that it was necessary to take the path of the conclusion of separate agreements in the sphere of shipping, fishing, mineral resources, and so forth. We believe that this is not the most productive route, which, if followed, could only confuse even more an already complex situation. The main questions, which were discussed, concerned the legal procedures of shipping, fishing, protection of biological resources, environmental aspects, the recovery of and exploration for mineral resources, and the jurisdiction of the Caspian states. The idea of the demilitarization of the Caspian was not extensively supported but it was not rejected either. After this meeting, we held a series of consultations with Turkmenistan, Iran, and Russia. The next meeting of the working group, incidentally, is scheduled for September in Almaty.

[Yezhenova] How might you comment on the results of the visit of Mr. Bolshakov, deputy premier of Russia?

[Gizzatov] The result of the negotiations was the signing of a joint statement, which reflects the basic approaches of our states to the Caspian problem. Last year Kazakhstan prepared a draft Caspian Convention, and it remains the sole one thus far. Mr. Bolshakov brought with him a Russian version of this document. In addition, we have draft treaties on shipping, mineral resources, and the use and protection of biological resources and, finally, a draft Treaty on the Regional Cooperation of the Caspian States. We can thus already

speak of some package of documents. There was an exchange of opinions during the deputy premier's visit on the Russian version of the convention, but it will undoubtedly require careful study, and it is still too early for any comment. Nonetheless, a cursory study of the draft indicates that our states have many common viewpoints on this aspect or the other. A difference of our positions is observed only on the question of the use of the sea bed and its resources, which is, in fact, the most important, and some disagreements here are perfectly logical. Kazakhstan's approach is based on the creation of the most liberal procedures possible in the sphere of shipping and the conditions and quotas involving live resources and cooperation in the sphere of the preservation and reproduction of biological resources and protection of the eco-system and, on the whole, corresponds, in our view, to the interests of both the Caspian itself and the Caspian states. As far as questions of territorial demarcation are concerned, we believe that it should correspond to the standards of international practice, when the bed and the resources should be divided among the Caspian states. Our position has yet to meet with our partners' full support, it is true.

[Yezhenova] This probably has to do with the uncertainty of the status of the Caspian itself—is it a sea or a lake?

[Gizatov] Sea or lake is a theoretical dispute. The issue lies elsewhere—the legal procedures of a sea differ from the legal procedures of a lake. But, in any case, both versions contemplate a sharing of the mineral resources. Some of our partners object to the classification "sea" because this would signify application of the 1982 Law of the Sea Convention. We propose that only its principles and procedures be taken as a guide. An argument that is heard very often is that the Caspian is so unique that it cannot come under any current standards. But there are no un-unique seas. I believe that attempts to create procedures contravening international standards and ultimately to impose one's own position are being justified in this way. After all, states which, you will agree, are far from equivalent in terms of their political importance are situated on the Caspian. I believe that everything may be imposed in principle, but not for long, the preservation of an imbalance of interests would resuscitate the debate sooner or later with greater seriousness.

[Yezhenova] The anticipated reserves of oil concentrated in the northern sector of the Caspian adjacent to Kazakhstan were the reason for this debate, most likely?

[Gizatov] The Northern Caspian is still little-studied. The Soviet Union did not have the need to survey the

whole coastline inasmuch as there were other, easier sources of oil production. Iran also attached no priority significance to this exploration, having easily accessible deposits in the Persian Gulf. And, finally, not all states have the technical possibility of conducting exploratory work. The appearance of new states has evoked in them a perfectly natural desire to develop their own mineral resources. At the same time, on the other hand, Russia lacks an infrastructure on the Caspian, and we lack the technological prerequisites, primarily for preservation of the ecological balance. And, finally, no Caspian state has sufficient financial possibilities for the development of these forecast resources.

[Yezhenova] Some people are of the opinion that the attention to the Caspian has been spurred by the creation of the Kazakhstankaspiyshelf Consortium. And, specifically, by the fact that companies of Russia are not a part of it.

[Gizatov] Attention became focused on the Caspian after the disintegration of the Union. The deficient legal procedures could not provide for full use of the resources of the Caspian. As far as Russia is concerned, we invited it into the consortium first, but it displayed no particular interest at that time. We have nothing against this now, either, but the consent of all the consortium's members is required for its enlargement. And, finally, Russia's LUKoil could join in the operations in the production phase. In principle, our partners' solvency is our main criterion.

[Yezhenova] How are members of the Kazakhstankaspiyshelf Consortium reacting to the debate surrounding the Caspian?

[Gizatov] The consortium is continuing exploratory operations and following the negotiations with great attention and the hope that the parties can agree. No party has thus far displayed any intention of winding down its activity.

[Yezhenova] How do you view the statements that some steps of certain Caspian states demonstrate a disregard for some preliminary accords?

[Gizatov] It is quite difficult to ignore anything here because there is not as yet a single common document, except for the Astrakhan Declaration, which outlines whoever's commitments very amorphously. If we are talking about violations of the legal procedures, they are undoubtedly out of date. Iran and the USSR began to produce oil without asking each other, and this was not regarded as a violation at that time.

[Yezhenova] What, in your view, is the optimum format for the territorial division of the Caspian?

[Gizatov] The Kazakhstan draft proposes that we proceed from the position of a continental sea with liberal procedures of the use of the waters and the surface, but with strict delineation of the mineral resources. The absence of an owner would inevitably entail plunder of the Caspian. At the same time, on the other hand, redistribution does not mean that we are not prepared to grant the right to participate in projects in the Kazakhstani zone. We will cooperate willingly.

[Yezhenova] And if the negotiations reach impasse?

[Gizatov] I hope that this does not happen, there are no symptoms of this as yet, in any event. At the worst, the International Court of Arbitration option is possible.

[Yezhenova] How are the Caspian Pipeline Consortium (KTK) and the oil pipeline across Turkey linked. Following Mrs. Ciller's visit, statements to the effect that these two projects are mutually exclusive began to appear in the mass media.

[Gizatov] They do not exclude, but rather, complement each other. I would recall that Kazakhstan and Turkey signed a statement of intent, which speaks of the creation of a working group for study of a project for the shipment of Kazakhstani and, possibly, Russian, Azerbaijani, and Turkmen oil. I would emphasize that this is not a substitute for or alternative to the pipeline to Novorossiysk. The KTK is a workable project. The issue lies elsewhere—the KTK could not carry the contemplated volume of hydrocarbons. Both projects will be developed in parallel.

Defense of Natural Environment Stressed

954F3220A *Almaty KAZAKHSTANSKAYA PRAVDA*
in Russian 24 Aug 95 p 2

[Article by Vladimir Gulyayev, deputy minister of ecology and bioresources: "Environmental Protection—the Most Lucrative Sector in the Economy"]

[FBIS Translated Text] Lately, some defenders of the "market economy" have been proposing that ecological problems be ignored for the next three to five years and that production be raised at any cost instead. But we have already been through this in this century.

Given the ecological situation we have found ourselves in, the approach to building up production that existed at the times of building communism is simply impermissible today.

Let us recall history: The last quarter of the nineteenth century; industrial manufacturing is born in Kazakhstan. We can consider the Shymkent Santalol plant the pioneer of domestic chemical industry. Founded in 1882, it successfully exported its products to England,

America, Germany, India, and Japan. Salt mines were in operation on the Aral Sea, Lake Karabash, and in Pavlodar Province.

Kazakhstani raw materials, its ore, coal, and oil began to attract the attention of foreign capitalists, who began to bring in their capital, counting on making a profit. But a truly rapid industrial development began with the early 1920's. Over seven decades, hundreds of enterprises of all sorts sprang up here.

The result, as they say, is there for everyone to see—18 billion tonnes of waste have accumulated on the republic's territory, of which 1.8 billion tonnes are toxic. In the process, boundless feather-grass steppes, with their rich flora and fauna, have disappeared; also on the verge of disappearance is the Aral, which as recently as in 1971-1974 produced 160,000-200,000 quintals of the most valuable varieties of fish a year. Because of its drying up, the concentration of salt in it has increased from 10 to 30 per mille. And this was enough to kill the sea's entire complex ecosystem.

The consequences of nuclear tests will manifest themselves for many decades to come in freak living forms. How little time was needed to change a once blessed land beyond recognition! The temporary state of the man on his native land, and the disregard for ethnic, heritage, and production traditions turned our land into a test site for all sorts of pseudo-scientific experiments. As a result, we got back officially declared environmental disaster zones that tend to expand, and an unhealthy genetic pool of the nation.

A market economy by itself cannot preserve and protect the environment—on the contrary, it will destroy it. A market recognizes only efficiency of production. We are seeing the emergence of a host of ecological problems we can only get rid of through a sensible combination of government policy, public actions, and the moral choice of every individual.

What does it mean—to raise production at any cost?

It means import and installation on the territory of Kazakhstan of obsolete technologies banned in other countries, uncontrolled discharge and emission of pollutants. And as a result, an increasingly worsening ecological situation. The recently created State Ecological Council, headed by Prime Minister A. Qazhygeldin, will be able, I think, to stop such practices. However, besides purely administrative measures, we also need a legislative base. Our ministry has drafted a Republic of Kazakhstan national plan of action in the area of environmental protection; we are finishing work on the basic ecological law of the Republic of Kazakhstan "On Environmental Protection." The new draft law meets the

norms of the recently adopted Civil Code (general part) and many new items of recently adopted legislative acts also are reflected in it.

The Republic of Kazakhstan's environmental protection legislation is at the stage of formation. The country will need very soon laws on state environmental expert evaluation, on state ecological control, on atmospheric air, on clean drinking water, radiation safety, and others.

In keeping with the environmental protection legislation of the Republic of Kazakhstan, all major government actions and measures must be evaluated from the standpoint of their environmental impact, that is, undergo an ecological expert evaluation. We need to set our investment priorities on the basis of their expediency for the foreseeable future in order to balance and stabilize the economy.

To raise production, a number of concrete, effective measures need to be taken by the government and legislators in favor of producers. It is necessary to pass a legislation banning import of goods we can and need to produce ourselves. In this respect, we need to become more than an outside observer of the processes taking place in developed countries—we need to emulate them. We can take as an example South Korea, with its ideology with respect to domestic and foreign policy. And the ideology is simple: Produce for ourselves and sell to others. It is time for us to begin to produce at least something for ourselves.

In the process of privatization, many state enterprises have been artificially pushed into the state of bankruptcy. The management of such enterprises does everything it can to enable its becoming full owners of such enterprises in the nearest future, pushing the workers and white-collar personnel who may claim the role of co-owners into mass resignation. But such policy in the current situation is a double-edged sword. When production starts to recover, the question of cadres will come up, but the skilled specialists will all be gone.

This manifests itself especially graphically at enterprises of the former all-Union defense-industrial complex, where all of this is taking place under the guise of conversion.

At the same time, we need to keep in mind the special position of the state in the republic economic system. As a practically monopolist owner of fixed assets, it manages the economy and at the same time controls the relationship between the economy and the ecology.

Naturally, decisions made in favor of the ecology hurt the economy. When setting high penalties, the state itself pays for them, and when closing enterprises, it bears the losses. As a result, the state, when causing

harm, extracts restitution from itself. Such an absurd situation will continue until the bulk of state property and natural resources are privatized. Only then will the state become an impartial arbiter, making a choice between the ecology and the economy in favor of the ecology. But regardless, it is the duty of the state to show concern for its subjects and to bear material responsibility for not fulfilling the obligations it has undertaken, which are reflected in the new draft Constitution of the Republic of Kazakhstan.

The destruction of the environment by man takes place to a large extent not only as a hard necessity but also because of elementary ignorance, and the reluctance to comply with the requirements of the environmental protection legislation.

Last year the staff of all of the ministry's departments conducted more than 40,000 inspections, which revealed 82,600 violations; penalties for a total of 4.7 million tenge [T] were levied against officials, T24 million collected in restitution, and activities of 615 enterprises of different forms of ownership temporarily halted; also, 544 cases were forwarded to law enforcement organs for criminal prosecution.

Poachers, who supplement their family budget at the expense of the wilderness, would not rest. The organs of state inspection for the protection of the fauna have uncovered 5,300 instances of poaching and violations of hunting regulations. They detained 6,200 violators and confiscated from them 1,226 units of firearms, including 71 units of rifled arms. Criminal prosecution was initiated in 150 cases and criminal charges brought against 48 persons. Another 527 cases were forwarded to people's court and administrative commission, of which 270 cases involving a total of T500,000 have been reviewed.

State fish protection organs have uncovered 13,500 instances of violations of environmental protection legislation, levied fines in the total amount of T2.8 million, filed suits for T1.7 million in damages, and collected T2.6 million. Materials on 291 persons were forwarded to investigative organs. More than 106 tonnes of fish were confiscated from violators. Courts handed down sentences against 114 persons, including prison terms of varying length for 51 persons. These figures show more graphically than any words the current scope of assault on nature.

And here are different facts: Over the past five years not a single additional forest barrier, fire and technical service station, greenhouse, nursery, or warehouse for storage of seed and pine cones has been built in the forest management sector, which keeps the sector from effectively dealing with its tasks. Practically all of the

mounted and hitched implements and mechanisms on hand have been used at 70-80 percent of their useful life; forest management associations are piling up debt for fuel and lubricants, arrears in wages, and past due payments for municipal services. It looks as if the day is not far when the forest management sector's operations will be fully paralyzed.

There is also another danger—over the past few years, many specialists in the area of ecology, land use, and law have moved to work for all sorts of commercial structures. Those who have stayed are either enthusiasts of their profession or people close to retirement age, but their numbers continue to shrink. As a rule, the cause is the same everywhere—low pay.

Even work in the central apparatus of the ministries and departments is losing its prestige. And how can one build an independent, economically developed state without a staff of competent functionaries?

There is simply no such precedent. A law on state service is long overdue. The state is suffering tremendous losses because of low pay of state functionaries, who are mainly busy thinking how, and by what methods, to increase their income. And as we all know, there are many methods: Each functionary has his own, depending on the rank and the job.

In short, environmental protection in the broad sense of this word is one of the most lucrative economic sectors. Socially, it is profoundly justified, because without preservation of nature, human life is impossible. It is, however, simply impossible to accomplish it in a truly effective way without a concerted effort on the part of public organizations, government agencies, and the government.

Narcotics Use Termed 'National Disaster'

954F3331A Almaty KAZAKHSTANSKAYA PRAVDA
in Russian 12 Aug 95 p 1

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Natalya Verzhbitskaya: "It Is Difficult But Possible To Combat Drug Addiction"]

[FBIS Translated Text] A few days ago, the RK [Republic of Kazakhstan] MVD [Ministry of Internal Affairs] held a conference meeting on the subject of increasing the efforts in combating drug addiction, with the participation of 16 chiefs of Kazakhstan oblasts' criminal investigations departments. The GUUR [Main Criminal Investigations Administration] chief, Police Major General V.P. Shumilenko, devoted several minutes to communications with the press, having asked, however, not to "press" him too much and to be somewhat lenient, since he has not been in this job long enough.

It is no secret to anyone that drug addiction lately has become virtually a national catastrophe. Society suffers, as well as drug addicts themselves and their families. A drug addict is worse than an alcoholic—he often takes the last valuables from home and is willing to kill his own mother for dope. While in the past, relatives could get relief from such a "prize package" by sending him for two or three years to an LTP (labor therapy facility), now, alas, such an option is no longer available. Many LTP's have been closed in catering to so-called "human rights." Over the past seven months, 7,130 persons were sentenced under Article 214 for the sale, consumption, and possession of drugs (5,258 over the same period of last year). Twenty thousand persons are on file in outpatient drug treatment facilities, 3,000 of whom are undergoing compulsory treatment. The presidential decree on boosting the efforts in combating drug addiction and compulsory treatment of drug addicts and alcoholics has, unfortunately, only remained on paper. For instance, in Karaganda all the drug addicts were rounded up for treatment, but after a while had to be allowed to go home—there were neither medicines nor food for them. And this situation is repeated everywhere. Another problem is finding jobs. The major general cannot recall a single instance of drug addicts working somewhere after release. Because of their habits, these people seek a easy way of life and easy money. Besides, many get drawn into their old company and again end up behind bars.

The chief of the administration for combating illegal circulation of drugs of the RK MVD GUUR, Police Major A.N. Vyborov, said that under the current regulations, confiscated strong narcotic substances are destroyed. However, sometimes they are stolen, including by criminal investigation personnel—for resale. For instance, at Lugovaya station of Zhambyl Oblast an instance of theft of a large consignment of opium was uncovered.

Confiscated drugs of the ephedrine group—made from ephedra grass—are used in medicine. The GUUR has an agreement with a pharmaceutical combine in Shymkent for processing of this type of drug.

Drugs come to our country from Afghanistan, Tajikistan, and Kyrgyzstan. But there is also our own "nursery"—Chuya Valley. It produces about six tonnes of marijuana a year. Instead of wiping out the dope growing in the valley, the RK MVD is working jointly with the University of Montana on sensible use of it. Besides, wiping out the plants completely will cause sand-shifting, which will have an unpredictable effect on the overall ecological situation.

The Americans are interested in such collaboration among other reasons because drugs delivered by "messengers" know no borders and the evil can be defeated only by joint efforts.

New Materiel Shown at Embinsk Test Range

954F3340A *Almaty EKSPRESS-K in Russian*
1 Sep 95 p 5

[Article by Georgiy Loriya: "Why the Defense Minister of Russia Flew In to Aktyubinsk Oblast"]

[FBIS Translated Text] An exhibition of the latest military materiel intended for air defense was held at the end of last week at the Embinsk Test Range in Aktyubinsk Oblast. As we know, Russia leases this test range from Kazakhstan. Representatives of many wealthy countries of the far abroad, including India and Kuwait, were invited to the exhibition. As well-informed sources told an EKSPRESS-K correspondent, the organizer was the well-known firm Rosvooruzheniye. The models that were demonstrated, which in many ways surpass their foreign analogues, were shown "in action" and a number of potential buyers were interested.

According to the information of our EKSPRESS-K correspondent, the defense minister of Russia, Pavel Grachev, who flew in on his Tu-154, spent about three hours at Embinsk.

Our staff correspondent intended to obtain official information about the goings-on at the test range from the oblast administration, since after all, the foreign guests were not gathering on anybody else's territory. But suddenly it was learned that they were not abreast of the Embinsk events. But nonetheless they checked on the report on the demonstration of the materiel received by the EKSPRESS-K correspondent in the oblast administration "through his own channels," and it was confirmed. It is not yet known whether the oblast leaders were the only ones not to be informed by the Russians about the planned events or whether the leaders of Kazakhstan were not aware of it either.

In either case, it seems to me that the norms of diplomatic ethics were violated. In any case, two weeks ago when the Russians were conducting some routine training at the Embinsk Test Range, S. Pachin, head of the oblast, received an invitation "to observe," but he was unable to attend because of other engagements. At least, this was the information received by the EKSPRESS-K correspondent in the oblast administration. No information about the arrival of the "special" flights could be obtained from the local dispatchers either: As it turned out, their military colleagues have their own air corridor, which they use without informing anybody on the outside.

Derbisov on Customs Affairs, Security

954F3322A *Almaty KAZAKHSTANSKAYA PRAVDA in Russian* 30 Aug 95 p 3

[Interview with Yerkesbay Derbisov, chairman of the Republic of Kazakhstan Customs Committee, by KAZAKHSTANSKAYA PRAVDA correspondent Elmira Pashina; place and date not given; under the rubric "Team Player": "Yerkesbay Derbisov: Customs Must Become a Guarantor of National Economic Security"]

[FBIS Translated Text] To the philistine mind, the notion of "customs" denotes not only a place of extortion and humiliation but also a juicy morsel keeping the chosen well fed. Evidence of the obvious nature of this perception was the behind-the-scenes battle around the appointment of the new Customs Committee chairman last spring—the competitiveness of contenders among the nomenklatura elite at the time was marked by a particular intensity....

Unexpectedly for many, the president selected Yerkesbay Derbisov. Unexpected for the latter's opponents, but not counter to common sense: he is a former minister of finance, deputy chairman of the Cabinet of Ministers, a man well familiar with customs service problems....

As we recall, the chairman identified the fixed state of degradation as the main cause of the discomfort experienced in approaching the problems of the service entrusted to him. Therefore, several short months later his optimism could easily appear to border on ambition: "In the very near future customs will become not only a stabilizing factor in the economy but also a guarantor of its security."

Our correspondent Elmira Pashina attempted to find out to what extent this contention corresponds to the real state of affairs.

[Pashina] Yerkesbay Zhaylaubayevich, what do you think of the popular opinion that every bureaucrat has his price?...

[Derbisov] Frankly, I do not like hints between the lines. All right, so I will say that I am not to be bought—and then what? Will you be satisfied with such an answer? On the question of price, however, my attitude is unequivocal: expose and dispose of such people, put them on public trial, so that they cannot cast a shadow over honest, conscientious employees, who, I am convinced, are in the majority.

[Pashina] Rumor has it that you see everything only in black and white....

[Derbisov] Who do I owe for such an intense interest in my persona?

[Pashina] Perhaps people who have lost their means of existence as a result of your arrival. For instance, in the Khorgos customs alone, of 163 employees, 40 were fired within the first few days.

[Derbisov] Let us first of all clarify: what kind of means of existence, whether they met professional requirements and generally earned the right to work in such an important organ. You will agree that the avalanche of indignant letters and petitions to all sorts of authorities regarding the work of customs sooner or later had to be answered. The July conference held by the president indicated a serious intention to get things in order; everybody present agreed to hold an out-of-turn certification of all customs personnel during the third quarter. The results of the commission, which consisted of 10 professionals—heads of the Customs Committee's key administrations—were not long in coming. It is true that in the certification process, one-fourth of the Khorgos personnel were found professionally unfit.

[Pashina] We sometimes act this way: A new boss arrives and begins to get rid of his predecessor's proteges....

[Derbisov] The certification process was videotaped from beginning to end. This impartial document actually suggests an inquiry as to how a particular person ended up working for customs. For instance, Ibragimov, Rakhimzhanov, Turnybekov, Shamshidinov, and Mutalipov, who concealed their criminal records; or Nurakhmetov, Muldabekov, and others with counterfeit diplomas. Also dismissed was the Khorgos customs chief, who had knowledge of the pervasive lawlessness in his domain.

[Pashina] Can you answer this honestly: What is the basis of your uncompromising stand: personal or professional qualities, or the desire to prove worthy of the president's confidence?

[Derbisov] I believe that these are not mutually exclusive notions. To be precise, all my thoughts and desires are subordinate to one goal: in the speediest and most effective way, bring our customs to the level of civilized states.

Before we get there, however, we have to "clear away the debris." It is no secret that the "higher ups" only recently—in April—turned their attention to the accumulated problems in this area. The low-power customs service was removed from subordination to the Ministry of Finance and turned into an independent Customs Committee under the Cabinet of Ministers. I started my work with structural restructuring, and selection and placement of specialists. An analysis of the state of affairs necessitated, for instance, replacing

the personnel department chief. Key positions in the central staff are held today by professionals who came from the organs of internal affairs and the procuracy, economists well versed in market relations.

[Pashina] The recent presidential edict with the force of law "On the Business of Customs in the Republic of Kazakhstan" apparently will help a lot, will it not?

[Derbisov] No question about it. First, it better defined the customs organs' legal status—this is the first law in the life of Kazakhstani customs in the post-Soviet period. In the past we worked under USSR laws, later—on the basis of numerous normative documents, because there was no customs legislation as such. I think the most important result is that now both the customs personnel and physical and legal entities in the republic have an equal ability to use as guidance a single legislative act on customs business, instead of disparate numerous instructions and other statutes, which numbered more than 200. General trends in foreign economic activities force corrections to our work too. Among the new directions I can name organizing the work of customs warehouses, temporary storage facilities, a network of duty-free shops, customs freight vendors, foreign currency control over the inflow of proceeds from export sales, the use of collateral, and expert evaluation of goods for classification code purposes.

Second, the new document permits us to tackle directly the main tasks the customs service is facing. There are four: strengthening positions in its economic part—that is, our organs must become a reliable conduit for supplementing the state budget. Next—combating smuggling. The third direction is keeping foreign trade operations statistics. And finally, while protecting the interests of domestic goods producers, customs should help boost foreign trade.

[Pashina] You would agree that it would be difficult today to apply the definition of "fiscal source" to Kazakhstani customs. The 13 percent it is envisaged to contribute to the revenue part of the budget is a paltry amount. In Russia this accounts for 25 percent, and in some countries—40 percent.... I am curious, whose pockets were intended to receive the brisk flow of legalized "unaccounted-for" domestic and foreign currency?

[Derbisov] The best indicator that the mark set for us was too low are the figures. The customs service, still shackled by problems, is already overfulfilling the plan on all indicators and in all areas by a factor of 1.5. For instance, over the period January-July, with the plan of 6.0748 billion tenge, the actual revenue transferred to the budget amounted to 8.9517 billion

tenge. Mainly achieved through strict collection of export-import duties. In addition, over this time customs organs opened 1,270 cases, which is 518 more than over the same period last year.

[Pashina] The young, not yet strong Kazakhstani customs cannot steep in its own juice. Its work is a two-way street. How are your relations with, for instance, Russia?

[Derbisov] You are right, the customs sphere, more than any other, should be capable of unification and standardization within the framework of international life. Through reciprocal tariff concessions (reducing and setting custom duty rates), establishing unified rules of customs valuation, rules for determining the country of origin of goods (for the purpose of applying preferential rates in custom duties, the most favorable country regime, and maximum rates, as well as other customs and trade purposes), standardizing and mutually recognizing customs documents, bringing closer customs procedures, a country gets freer and cheaper access to other countries' markets.

Based on these considerations, on 20 January of the current year the Governments of the Russian Federation and the Republic of Kazakhstan signed an agreement "On the Customs Union" which envisages the phased implementation of measures toward forming a customs union. Summing up what has already been accomplished, we can say that the measures envisaged by the first phase of the agreement have by and large been implemented.

Speaking of implementation of the provision on a unified procedure for regulating foreign economic activities, I want to clarify that as of now tariff and quantity restrictions in mutual trade have been eliminated; work has been done on bringing into conformance normative acts on matters of tariff and nontariff regulation in the sphere of foreign trade, including re-export of goods; we have complete unification of export and import customs rates, as well as excise tax rates on goods imported to the territories on both countries; and we have adopted a unified nomenclature of foreign economic activities of CIS countries.

In addition, with the adoption of the edict on the business of customs we now have a legislative base for customs organs' law enforcement activities. In this connection, the signing on 30 July of a joint agreement "On Joint Efforts in Protecting External Borders" was a timely development.

Customs responsibilities now include operational-investigative activities in identifying persons who have committed or are preparing to commit unlawful actions;

our competence also includes inquiry for the purpose of ensuring our own security, as well as when we need to respond to inquiries from international customs organs.

But an edict is only guidance for action. Its implementation requires painstaking, I would even say wearisome, work putting together a myriad normative acts and normative documents. I must say that the central staff has done fruitful work in this direction too. For instance, we have drafted and submitted to the Cabinet of Ministers proposals, in a way amendments to criminal, criminal process, and administrative legislation, to the law "On Operational-Investigative Activities," "On State Control Over the Circulation of Certain Types of Weapons," and "On Republic of Kazakhstan Banks."

[Pashina] What do banks have to do with this?

[Derbisov] You would be surprised.... Analysis of the state of affairs showed that they too need a certain oversight; to be more precise, their activities converge with foreign economic relations. While currently banks only register how much foreign currency comes in and is in their accounts, our task from now on is to track, register, and determine how much it actually should be, where a particular amount has settled, and why. Control over banking activities is one of the serious instruments in strengthening the republic's economic security. That is why in terms of importance we put it on the same line as law enforcement activities in combating contraband and drug trafficking.

[Pashina] in which you get a lot of help from U.S. Customs?

[Derbisov] Kazakhstan's desire to expand the knowledge in this area, until now unfamiliar to us, fortuitously coincided with our American colleagues' desire to provide maximum help in solving our internal problems.

[Pashina] It would most probably be more appropriate to talk here not of a coincidence but a refusal on the part of Russia, Ukraine, Belarus, and Kazakhstan to have nuclear weapons on their territory. In this case it is easy to assume that in exchange for disarmament we are being offered skills in fighting organized crime.

[Derbisov] Your hint is most likely based on insufficient information. I would not interpret the problem so narrowly. Do you know that drug addicts in West Europe are already well acquainted with Chuya Valley's products? The following figures show the expanding import of drugs. While in 1991-1992 the customs organs uncovered two instances of transportation of drugs and confiscated only 41 grams, in 1993 there were 22 instances in which 88.5 kg of dope were confiscated, and just in the first half of this year—107 instances and 261.5 kg respectively. As the television ads say,

feel the difference. As compared to the corresponding period of last year, their entry into the republic has increased 3.5-fold. That is why I understand very well the American colleagues' concerns and their desire to create an effective system of export control over drug and arms trafficking.

[Pashina] In just four months to stir up and clean the "beehive," put together a team of professionals, and accomplish such a scope of work.... Do you have any time left for yourself and your family?

[Derbisov] Unjustifiably little....

Wholesale Price Changes Noted, Compared

954F3313A *Almaty BIZNES KLUB in Russian*
29 Aug 95 p 5

[Economic report by the Kazakhstan Republic State Committee for Statistics: "Fall Prices in the Hot Season—Changing Wholesale Prices in Industry in the Kazakhstan Republic in July 1995"]

[FBIS Translated Text] The price index of producer enterprises in industrial production in July of this year, as compared with December 1994, was 126.7 percent; as compared with June of this year, it was 101.9 percent—0.7 percent higher than the figure for the previous month.

The change in wholesale prices of enterprises over the course of recent months was subject to a significant degree to the influence of market regulators (supply and demand). Sharp "hikes" in prices in the production sphere were therefore not observed. The average monthly growth of prices for technical industrial output was 3 percent, for consumer goods—4 percent.

The change in tax rates and special-fund deductions included within production costs also exerted a great influence on the level of wholesale prices last month. Thus, the increase in value-added tax from 10 to 20 percent caused a significant rise in cost of products in the food industry.

At the same time, the pricing policy of producers was carried out under conditions of massive nonpayments, and reflected ambiguity in certain sectors of industry.

Electricity rates for industrial enterprises rose once again in July of this year as the result of the termination of favorable-rate terms.

The price index in the electric power industry was 105.8 percent.

In the fuel industry, prices for the main varieties of energy resources rose in July by just 0.9 percent over June levels.

The cost of extracted crude oil in July remained at its level for the previous month, amounting to 3,200 tenge per tonne (not including taxes and transportation costs).

Products of oil refining rose 1.1 percent on average over this period, having increased 27.6 percent since the beginning of the year.

The wholesale cost of motor vehicle gasoline was 9,231 tenge per tonne at the end of July 1995, 3 percent higher than in June. The price of diesel fuel remained unchanged, while that of furnace fuel oil rose 4.3 percent.

Increased retail prices for motor vehicle gasoline in July of this year outpaced the change in prices for producer enterprises. Gasoline rose by an average of 4.5 percent for consumers.

The price index in July of this year for extraction of natural gas amounted to 126.6 percent as compared with June. Significant price increases were registered at the Karachaganak Gas Deposits. Prices for natural gas and associated petroleum gas remained unchanged at other gas extraction and processing enterprises of the republic located in Mangistau, Aktyubinsk, and Atyrau Oblasts.

At coal extraction enterprises of the republic, the level of wholesale prices rose 27.6 percent on average in July of this year as compared with December 1994. In this regard, the price increases for power-generating coal were greatest (31 percent), while the price of coking coal rose 25 percent. It should be noted, however, that the rate of price increase in July was only 0.2 percent.

In the market of industrial technical resources, the greatest rise in wholesale prices last month took place with respect to intermediate-use output, where the main source of acquisition of raw materials are countries of the near abroad and the external market. The average prices of certain varieties of material-technical resources acquired for the metallurgy complex and petrochemical industry increased by a factor of 1.5-2.5 over the month.

The prices of finished products in these sectors rose by 3.8 and 0.6 percent, respectively, over the month. A price increase of 13 percent was noted for production output of the titanium-magnesium industry, 3.9 percent—for raw ores, ferrous metals, electro-ferroalloys, and copper. At the same time, prices fell in the aluminum and lead-zinc industries by 1.7 and 0.4 percent, respectively. Over the period since the beginning of the year (July of this year as compared with December 1994), prices for metals increased an average of 50.3 percent.

In the chemical and petrochemical sectors of industry, the greatest price increase over the month was noted

for paint and varnish production—by almost 23 percent. Prices remained unchanged for chemical fibers, synthetic resins, plastic and rubber-asbestos products, while those of household chemicals fell 36 percent.

The dynamics of changing prices for finished industrial products took shape under conditions of nonpayments on the part of consumers, limited demand, and even the stoppage of many enterprises, all of which created the preconditions for lowered prices. Thus, the overall level of wholesale prices for machinery and equipment was 3.5 percent less in July of this year than it was in June, and the lowest index (88.4 percent) was observed in the sphere of tractor and agricultural machine building. The index did not exceed 100 percent in the majority of machine-building sectors.

Rates for all types of freight transportation over the period since the beginning of the year (July of this year as compared with December 1994) increased by 16 percent. In this regard, freight shipments by motor vehicle and air transportation increased 46 percent in cost, and shipments of oil and gas increased 17 percent, while payments for hauling freight by rail decreased 8 percent.

In July of this year, rates for freight transportation by rail and pipeline transport virtually remained at their June level, while shipments by motor vehicle increased 1 percent and air freight transportation costs fell by 2 percent.

Prices in the building materials sector overall increased by more than a third in July of this year over December 1994 levels, and by 2 percent over the level of June 1995. The greatest price increases were observed with respect to asbestos products—by 10.2 percent. Prices rose by only 0.3-0.4 percent for porous fillers, brick, cement, and prefabricated reinforced concrete components.

In light industry, the price index in July of this year was 99.9 percent as compared with June, 134 percent as compared with December 1994. Price formation in this sector took place under the influence of forced stoppages, reduced buyer demand on the part of the populace, low quality of domestic output, and increased competition from imported products.

In the food industry, because of increased prices for livestock production output and changes in tax policy, meat products increased in price by 14.2 percent in July over June levels. Significant price increases were observed in baker's yeast—by 13.4 percent, salt—by 12 percent, beer—by 9.3 percent, and tobacco products—by 8 percent. The cost of sugar dropped by 2.1 percent, vegetable oil—by 4.2 percent. Prices remained

unchanged with respect to bread, confectionery items, tea, and flour.

The price index for agricultural products sold through all channels over the seven months (July of this year as compared with December 1994) was 176 percent, for plant products—163 percent, and for livestock output—189 percent.

The average price in July of this year for livestock and poultry (live weight) was 27 tenge per kilogram, surpassing the June level by 1 percent. Prices of milk, dairy products, and eggs sold by agricultural producers in July differed only slightly from June prices, while the price of wool increased 12 percent.

Price dynamics with respect to plant products came under the influence of seasonal fluctuation changes. Therefore, the cost of vegetables fell 17 percent over the month, of potatoes—5 percent.

Turkmenistan

Pakistani President Arrives on Official Visit

LD0609140495 Moscow ITAR-TASS World Service
in Russian 1216 GMT 6 Sep 95

[By ITAR-TASS correspondent Anna Kurbanova]

[FBIS Translated Text] Ashgabat, 6 Sep — The president of the Islamic Republic of Pakistan [Sardar Farooq Ahmad Khan Leghari] arrived in Turkmenistan today on an official visit. He was met at the capital's airport by President Saparmurad Niyazov. In accordance with the program of the visit, which is to continue until 8 September, the first round of interstate talks will be held this evening. The talks will center on the joint project for building a gas pipeline to Pakistan.

Tomorrow the president of Pakistan will visit the Mary and Tashauz districts of the country. In September, when Leghari will meet the Majles deputies and members of the Turkmenistan Government, it is planned to determine further ways of developing mutually advantageous relations between the friendly states.

Leghari Speaks at Banquet; Promotes Peace

BK0709042795 Islamabad Radio Pakistan Network
in Urdu 0200 GMT 7 Sep 95

[FBIS Translated Text] President Sardar Farooq Ahmad Khan Leghari has said Pakistan is committed to strengthening its relations with Turkmenistan at all levels and in all fields for which it is taking practical steps. Speaking at a banquet in his honor, hosted by President Saparmurad Niyazov in Ashkhabad last night, the president said Pakistan is promoting understanding and

cooperation with all the Central Asian Republics. He referred to the project of the natural gas pipeline from Turkmenistan to Pakistan and said substantial progress has been made for its implementation.

The president emphasized the need for peace in the region and referred to Pakistan's efforts in this direction. He said Pakistan wanted peaceful conditions in Afghanistan and Tajikistan through the settlement and reconciliation at national levels. He said Pakistan had no favorites in Afghanistan and that the Afghan people should decide their future themselves. President Leghari said by hosting the third round of inter-Tajik peace talks in Islamabad, Pakistan encouraged national reconciliation in Tajikistan.

Concerning Pakistan's efforts to settle the Kashmir dispute, the president said India must realize that it cannot keep the people of Jammu and Kashmir in subjugation through the use of force. He said India should not be so inflexible by denying the right of self-determination to the Kashmiri people, as the use of brutal force could not break the will of the Kashmiri people over the past six years.

Earlier, wide-ranging talks were held at the presidential palace in Ashkhabad between President Leghari and President Niyazov during which the two leaders expressed their determination to further promote the existing cordial relations between the two countries. The president of Turkmenistan said he was shocked and regretted the unprecedented breach of diplomacy shown by the unprovoked attack on the Pakistan Embassy in Kabul. He said the Russian Federation has also stated that they would convey similar sentiments to the Kabul government.

Japanese Businessmen in Ashgabat Discuss Cooperation

LD0609165995 Ashgabat TURKEMEN PRESS
in Russian 0400 GMT 6 Sep 95

[FBIS Translated Text] Ashgabat, 5 Sep — Turkmen President Saparmurad Turkmenbashi [Niyazov] and Minoru Murofusi, the head of the Japanese company Itochu Corporation, have discussed priority areas of Turkmen-Japanese cooperation. As chairman of the Turkmen-Japanese Economic Committee, Mr. Murofusi

arrived in Ashgabat at the head of a large delegation of Japanese businessmen to take part in the second meeting of the joint committee. As it is known, the first meeting took place in Tokyo in October last year.

Outlining to the guest the prospects of Turkmenistan's cooperation with many developed countries, Saparmurad Turkmenbashi stressed that he welcomed Japan's interest, too, in regulating economic contacts in various sectors of the country's economy.

Japan adheres to the policy of establishing long-term cooperation with Turkmenistan, Dr. Murofusi confirmed. The high priority and profitability of the projects defined by the committee are the main conditions for the allocation of easy-payment Japanese Government credits for their implementation. Issues relating to the participation of Japanese companies in the reconstruction of the Krasnovodsk sea port and the provision of medical equipment are currently being discussed at government level. Representatives from the private sector — major companies — are preparing projects for the credits that are to be allocated by the Japanese Ministry of Trade and Industry. Japanese entrepreneurs are participating in projects on the construction of the Serakhs international railway terminal and for the computerization of railway traffic control. Japanese companies are also greatly interested in projects to develop Turkmenistan's fuel and energy sector.

Saparmurad Turkmenbashi invited Japanese businessmen to take part in the upcoming — on 8 September — presentation of projects to develop the country's oil and gas sector, which include the construction of a gas pipeline stretching as far as eastern China and Japan. He also expressed the wish that Japanese entrepreneurs should assist the country's fishery industries with equipment on a mutually advantageous basis.

The Turkmen president wished participants in the Turkmen-Japanese and Japanese-Turkmen Economic Committees' meetings, which are to open tomorrow, fruitful work. He expressed confidence that real steps will be taken in Ashgabat in the direction of mutually advantageous cooperation between the two countries, which is within the interests of their peoples.

Azerbaijan

Russia, Turkmenistan Owed Most Foreign Debt

MM0709081195 Moscow IZVESTIYA (Financial Section) in Russian 7 Sep 95 p 1

[AFI report: "Azerbaijan's Foreign Debt \$302 Million"]

[FBIS Translated Text] Azerbaijan's largest debt is to Russia (\$81.5 million), its debt to Turkmenistan is \$81 million, and it owes \$7.5 million to Kazakhstan and \$2.4 million to Uzbekistan. More than \$61 million is owed to Turkey's "Eksimbank" (name as transliterated) and \$68.5 million to the EU.

Supreme Court's Ban on Communist Party Examined

NC0609190795 Yerevan SNARK in English 1309 GMT 6 Sep 95

[FBIS Transcribed Text] Yerevan, September 6 (SNARK) — Sergei Badalyan, First Secretary of Armenia's Communist Party and deputy of the National Assembly, informed SNARK that the Azeri Supreme Court banned the Azeri Communist party before the Parliamentary elections due in November. However, he refused to comment on the resolution of the Azeri Supreme Court because of a lack of detailed information. According to Badalian, he refrains from drawing analogies between the ban on the Azeri Communist party and the resolution of Armenia's Supreme Court to outlaw the Dashnaksutyun party before the elections to the National Assembly. The reason is that the political situation in Armenia is quite different from Azerbaijan's. In Azerbaijan former Communists officials are struggling against one another. Former member of the Communist Politbureau and present Azeri President, Geydar Aliyev, is now an opponent of the Communist Party, while his own opponent is the last First Secretary of the Azeri Communist party Ayaz Mutalibov.

Badalyan partly attributes the ban on the Azeri Communist party to anti-Russian feelings among Azeri leaders who reject a boost in relations with other CIS countries.

Petroleum Inspectorate Chief on Fuel Sector Woes

954F3229A Baku VYSHKA in Russian 19 Aug 95 p 2

[Interview with Dzhavanshir Gasanaliyevich Rzayev, chief of the State Petroleum Inspectorate under the State Committee on Fuel, by Rauf Kender, editor of the department of oil and chemistry; place and date not given: "Oil—the Leading Edge of the Economy. A Black Hole, Or Where Do the Oil Products Go?"]

[FBIS Translated Text] Making sure of efficient and economical utilization of petroleum products and ob-

servance of fund discipline in the national economy of Azerbaijan is the responsibility of the State Petroleum Inspectorate, created under the State Committee on Fuel in 1979. It is headed by Dzhavanshir Gasanaliyevich Rzayev. He is 48 years old. After graduating from Azneftekhim, he worked for 10 years at the oil refinery imeni Karayev. For the last 15 years he has worked in official positions within the system of the State Committee on Fuel.

[Kender] Dzhavanshir Gasanaliyevich, at the present time a difficult financial situation has developed in the oil producing branch. The accounts contain no money for development and reproduction. In spite of the fact that the oil is moving and the state order is being filled, wages are being paid three months late. And yet it is written in the Koran, "Pay the worker before his sweat dries."

The newspaper VYSHKA is investigating the subject of where the money of the oil workers is going. What do you think, you who are the eye of the state put there to watch how petroleum products are sold and used?

[Rzayev] Petroleum products are expensive, strategic goods. One tonne of gasoline on the world market costs \$160-190 (depending on the brand), and diesel fuel—\$136. It is more expensive than bread. Petroleum is truly "black gold," which can make a nation rich and ensure its sovereignty. The state holds the monopoly on the production of petroleum products and trades in them. Not a single liter of this product should go to the outside. This is the task of the State Petroleum Inspectorate.

Back five to seven years ago, the control was rigid and the punishment was irreversible, although we lived well at that time, we had many resources, and a liter of gasoline cost less than a glass of tomato juice. Now world prices are in effect, and there is no money in the accounts either of the State Committee on Fuel or of the oil company because we are dispatching our products without preliminary payment, even though there is an edict from the president prohibiting such transactions. The financial concessions in the supply of fuel and lubricants are being made for the life-supporting branches. Mainly the Ministry of Agriculture.

Recently, when the grain harvest began, special commissions were created in the State Committee on Fuel. They were made up of officials who traveled to various regions in order to provide for continuous supply of fuel for agricultural equipment. And they fulfilled their mission. During June-July alone, the quantity of petroleum products allotted was twice as much as it was during the preceding five months. The monthly norm for consumption more than doubled. There were no problems with fuel, although nobody paid a single manat for it.

[Kender] But the oil industry workers are extremely disturbed. They say: "We gave the State Committee on Fuel the right to distribute the product of our labor without preliminary payment, without precisely accounting for to whom, how much, and for which work the petroleum fuel was required."

[Rzayev] The oil industry workers are right. It is no secret to anyone that the Ministry of Agriculture is the largest debtor. Its enterprises swallow up costly petroleum products as if they were a bottomless black hole. And what is the final result? Before 1991, Azerbaijan produced up to 700,000 tonnes of cotton and now it produces 200,000, more than 1 million tonnes of grapes and now it produces 400,000, and an exponential decline in production is observed in many other branches as well. But this powerful department consumes the same quantities of petroleum products as it did during its peak period. But if production has decreased by a factor of two or three, how come they are using gasoline, diesel fuel, oil and lubricants in the previous quantities? This year fuel and lubricants were received in a volume of 100 percent and the state order for harvesting grain was fulfilled by 50 percent in Agdashskiy, Akhsuniskiy, Kakhskiy, Ismailinskiy, Shekinskiy, She-makhinskiy, and other rayons. Perhaps it would be more advantageous to sell these petroleum products and buy grain.

The State Petroleum Inspectorate analyzed the dynamics of consumption for individual farms during the past five years and came up with some disturbing facts. Thus, in 1991 Agdzhahedinskiy Rayon produced 105,000 tonnes of agricultural products, using 26,000 tonnes of fuel. In 1994 the output was exactly half as much—52,000 tonnes, but 22,500 tonnes of petroleum products were used. Shekinskiy Rayon in 1991 produced 129,000 tonnes of agricultural products and used 17,700 tonnes of fuel. But in 1994 it produced 71,000 tonnes of products and the expenditure of fuel was 19,000 tonnes. That is, the expenditure of fuel on 1 tonne of products has increased from 119 kg to 268. Thus, in Shekinskiy Rayon alone, the inefficient utilization of petroleum products amounted to 10,000 tonnes. The picture is the same in all the others, above all the border rayons. Why increase food production, if you can live on petroleum products received free of charge? Certain agricultural workers regard gasoline and diesel fuel as sources of income for themselves. And here is the last example. During the grain harvest, we were literally bombarded with complaints about the shortage of fuel from Bilyashuvarkiy and Zaidabskiy Rayons. Our specialists immediately went to the localities and checked and discovered that there were plenty of petroleum products, some of which were not being

used for their intended purposes. The material on the overexpenditure were turned over to the executive authorities. The guilty parties were punished. The State Petroleum Inspectorate sets as its goal the closing off of all paths to thieves. This year of the seven kolkhozes in Gazakhskiy Rayon that were inspected, documents on cases of padding on three farms were turned over to the investigation organs, and in Samukhskiy—for two kolkhozes.

Recently we sent the Cabinet of Ministers a report on cases of violations in the utilization of petroleum products in four rayons—Saatlinskiy, Sabirabadskiy, Khachmazskiy, and Gazakhskiy. The overexpenditure of fuel since the beginning of the year here has been 8,000 tonnes (the norm for the entire rayon!) Not a gram of food was produced with the above-normative petroleum products.

[Kender] What sanctions does the State Petroleum Inspectorate apply to violators of funding discipline?

[Rzayev] Unfortunately, none at the present time. There used to be a Government Directive No. 404, according to which for overexpenditure of fuel we imposed fines on the violators in excess of three times the value of the petroleum products, and the money went into the republic coffers. With the collapse of the Union, this provision was invalidated, which also played into the hands of the thieves, and now they are making entire fortunes on gasoline while the state and the producers of the products are robbed. They are not receiving their money.

We raised the question of restoring the fines for unfunded delivery and above-normative utilization of fuel before the Government organs. But so far this extremely important lever for influencing unconscientious consumers is not in operation.

[Kender] Do you monitor the entire path along which the fuel travels from the oil refinery to the agricultural consumer?

[Rzayev] The State Committee on Fuel is responsible for the quality and quantity of oil products only in places where they are sold without intermediaries—through our oil bases. Unfortunately, the only place where there are no intermediaries is in Lyankyaranskiy Rayon, where the kolkhozes receive fuel and pay for it through the oil base. The money goes directly to the State Committee on Fuel, and from it to the oil industry workers. In all other rayons of the republic, the fuel is turned over to the rayon material and technical supply administrations, which are under the jurisdiction of Agroprom, from the petroleum bases without prepayment. The kolkhozes pay them, and the

money remains with Agroprom, it is piled up in the bank and used for other purposes—it never reaches the State Committee on Fuel.

The sale of fuel through rayon material and technical supply administrations opens up the path to theft. As they say in the Azerbaijani proverb: "The person who gathers honey is not left without honey."

We raised before the Cabinet of Ministers the question of shifting all rayons of the republic over to the Lyankaranskiy method of supplying petroleum products. But it has dragged its feet on the decision. The channel for theft remains open.

The circulation of individual coupons for fuel and lubricants creates favorable conditions for theft. The coupons are securities. They are printed at the mint in St. Petersburg. For foreign exchange. For large amounts of money they make their way to Baku, overcoming customs barriers. What happens then? While previously the State Committee on Fuel distributed them to the various state enterprises only after preliminary payment, now they are given on credit. State vehicles are fueled with coupons, that is, the gasoline goes out but the money does not come in. The treasury receives paper which is then destroyed. The coupons account for 30 percent of the sales. Thus, each day we give out 30 million manat worth of gasoline free of charge. This is the monthly wage fund of one oil and gas production administration. So you can find the oil industry workers' money if you dig deep enough.

The State Committee on Fuel is fighting to abolish the coupons. Vehicles should be fueled only for real money. The Ministry of Finance is holding things up. But they should not. Last year counterfeit coupons were discovered in the republic. This causes a great deal of harm. Frequently drivers from state enterprises sell extra coupons to private parties, and thus they get rich as well. Last year alone, coupons for 10,000 liters of gasoline were confiscated from owners of private vehicles, and this year—more than 3,000. These coupons were issued to enterprises of the Ministry of Agriculture, the Ministry of Automotive Transportation, the Ministry of Public Health, and others.

[Kender] How long will the State Committee on Fuel continue to dispatch oil products without prepayment and in volumes that exceed the real need?

[Rzayev] Until there is some concrete constructive control over the norms of consumption, a large part of the petroleum products will be used for other than their intended purpose. Now not a single department is responsible for their utilization. Previously, there was a very objective indicator: The tonne-kilometer of

freight transported. But now all transportation workers have changed trucks over to the hourly norm for the expenditure of petroleum products. The driver is given eight hours of working time or 200-250 km of travel. He may not use the vehicle or even take it out of the garage, but the fuel is still allotted to him.

The Azeravtonegliyat concern liked this system. We went to inspect it, and they told us: The vehicle has been operated for eight hours. But nobody knows what work it did. In our view, hourly reports were introduced especially to open up the floodgates for theft of petroleum products. I think we must abolish reports under the hourly system and return to the old indicators so that petroleum products will be used only for transporting cargo and for specific work. Then they will not be allotted illegally. This is how individuals who have nothing to do with oil industry workers are getting rich on petroleum products.

Georgia

Shevardnadze on Political Instability Problems

BR0609145295 Madrid ABC in Spanish 6 Sep 95
p 32

[Report on interview with Georgian State Council Chairman Eduard Shevardnadze by Juan Cierco in Tbilisi, date not given: "Shevardnadze: 'It Is Not Always Easy Having Russia as a Neighbor'"]

[FBIS Translated Text] Tbilisi — It is a lot harder to speak with Eduard Shevardnadze now than it was just a week ago. The security around the Georgian head of state has been stepped up noticeably in the wake of the failed assassination attempt of Tuesday [29 August]. It is an arduous task to get through all the checks, even when you have an appointment. Once you are inside his office, however, the atmosphere is much more peaceful. Here the guns are noticeable by their absence.

Just a few meters away, the array of guns is fearful. The veteran politician explains: "Life in Georgia is not easy." Shevardnadze has recovered fully from the slight injuries caused by the car bomb blast. Smiling, he commented: "We Georgians have a lot of vitality. What is more, I have visited the hereafter and I realize that I like this world better and that there are many things to do."

He continued: "The living conditions are very rough in my country, but we are working tirelessly on forming a real rule of law state. Nevertheless, we do need time. The proof is that we are now living rather better than we were a year ago, much better than two years ago, and rather worse than in a year's time."

Recent days have been tough for Eduard Shevardnadze. Even though he emerged unscathed from the attempt on his life, the attack nevertheless left its mark. "The investigation is under way and we have already seen some initial results. A number of people have been detained. Documents and weapons have been seized from them that can prove their involvement in the crime. The world must know that the forces which are working against the interests of the country and which are trying to bring the state down by sowing chaos and anarchy will find that I am their most bitter enemy."

In addition to the measures being taken by the investigators, certain political reprisals have also been taken such as the sacking of the security minister and his number two, Igor Giorgadze. "Parliament decided on these steps by a broad majority. There is no reason why I should correct the members of Parliament. It is logical to think that when an attempt is made on the life of the head of state then something is wrong with the national security system," according to Shevardnadze, who himself is the speaker in Parliament.

Shevardnadze prefers to turn a deaf ear to the rumors running around Tbilisi on the possible participation of Russia in the attack. He stated: "Our relations with Moscow are getting better every day. We must do everything we can to develop them. I must admit that it is not always easy having a neighbor as powerful as Russia."

"I would like to add that we enjoy very good relations with all our neighboring countries. We are in close contact with Turkey, Armenia, and Azerbaijan. We also have close links with Europe, including Spain, and above all with the United States. Without the help that Washington has given us in recent years, our country would not have survived."

Political instability is not the only unknown factor that is threatening Georgia. Peace talks with the Abkhaz rebels are not making any progress. He said accusingly: "They all know who is to blame. Even Moscow has just agreed that Sujumi [name as published] is responsible for this impasse. We are not the aggressors. That region is an important part of our country and our hearts, and we cannot just let a part of our heart be torn out just like that. The Constitution that we have just promulgated establishes a status of autonomous republic for Abkhazia, within the state. I think that is sufficient."

The Georgian head of state prefers, in any event, to focus on some of his successes. He said: "We have managed to save our culture and our scientific and intellectual capabilities, despite the many difficulties we had to overcome. It is precisely this that we have to export. We have increased our university budget

threefold, we have declared war on inflation, and we are trying to swiftly introduce the Georgian national currency" (currently there is a coupon system for essential products, with everything else paid for in rubles and dollars).

He continued: "There are without doubt some tragic things around us, but there are also other things that give us great hope for the future. I insist on the fact that we need time to see our transition to independence through to a successful conclusion. Spain is, from this point of view, a good example for us to try to imitate."

One of the most positive things to occur in recent days has been the visit of the Bagration royal family to Georgia. "In the current context, and especially after the attack, this visit is a very important moral and spiritual boost for our country."

"Historical justice is also gradually being restored to our country and this visit is a good indication of that."

Moscow's Georgian 'Elite' Creating 'Instability'

*AU0709114595 Tbilisi MIMOMKHILVELI
in Georgian 17-24 Aug 95 p 1, 2*

[Report by Zurab Giorgobiani: "Igor Giorgadze's Final Test"]

[FBIS Translated Text] At the joint conference of law enforcement bodies and heads of administrative boards [gameblebis] that was attended by representatives of all levels and mechanisms of state structure, Eduard Shevardnadze made yet another enigmatic statement. According to him, businessmen in every country are helping their motherland (in this respect, he "envies" Armenians in particular). However, Georgian businessmen resident in Moscow are doing everything to bring a new wave of instability to Georgia. As to whom Shevardnadze was specifically referring, his loyal "valet" Vakhtang Rcheulishvili explained: "Certain forces in Moscow are collecting money to help destructive elements."

Both these statements are extremely significant if we recall the recent past and also the fact that a political situation is being created in Georgia today that, if not in essence, then, at any rate, on the surface resembles the situation that prevailed in 1990-91. Everyone remembers President Zviad Gamsakhurdia's similar statements concerning the "antistate group" in Moscow. It is not difficult to work out who participated in the work of this group: The most frequently mentioned names are Nugzar Popkhadze, Guram Mgeladze, and those of other former "party workers." It is also not difficult to

determine that this group, if not led by Eduard Shevardnadze himself, was, at any rate, under his patronage. His former comrades in arms did everything to organize a "democratic revolution" in Georgia: They not only managed gradually to discredit Zviad Gamsakhurdia but also participated (indirectly) to a certain extent in the subsequent development of events and (what is most important) they succeeded in neutralizing the Sigua-Kitovani [former prime minister and defense minister respectively] duo to the advantage of their own leader. This group then disbanded: Soliko Khabeishvili became head of Shevardnadze's "Democracy and Revival" Fund in Tbilisi and was sacrificed in the struggle against the financial clans [he was murdered by unidentified gunmen in Tbilisi on 20 June]; he was replaced by the same Nugzar Popkhadze. Consequently, "the group in Moscow" was indeed made up of new people. To be more precise, it is composed of those people who, without any doubt, belonged to the "late communist" period in Georgia but, for one reason or another, did not end up in Shevardnadze's current team. They are frantically searching for a new leader and are trying to "introduce" this leader to Moscow's omnipotent financial circles and also create a certain basis for success in the forthcoming presidential elections. We can assume that Jumber Patiashvili [former Communist Party Central Committee first secretary, likely presidential candidate] is this group's chosen one although we cannot be certain on account of a lack of information. At any rate, if Shevardnadze had his own "elite" in 1972-85 who became attached to him and who remained loyal to him to the end, such an "elite" would have been created around the top man in Georgia in 1985-89. As regards the potential of these elites, their members were never short of talent and ability or financial resources.

However, it cannot be excluded that, in today's conditions, the protege of the "Moscow group" is Jaba Ioseliani [founder of the "Mkhedrioni" paramilitary organization] and not Jumber Patiashvili, if we do not include the billionaire Kakha Bendukidze who is entirely incorporated into the Russian establishment and is less concerned with current events in Georgia. There remains only one well-known person in Moscow who quite possibly is interested in the disposition of forces in the highest echelons of Georgian power. This is Guram Mgeladze. True, in the past, he was Shevardnadze's "favorite" and an active party member [partokrati] who was promoted by him (he rose from Abasha district committee secretary to chairman of the agroindustrial complex), but it is also known that Guram Mgeladze is a childhood friend of Jaba Ioseliani and he made a very big contribution to the formation of the "Mkhedrioni" in 1989. In the same context, we can mention that wave of so-called "Georgian nouveaux riches" who were closely

connected to the "Mkhedrioni" in 1992-95 and, having accumulated a certain amount of financial resources, continued their activities in Moscow; this social stratum will not easily forget either the "Mkhedrioni" or its leader, but if they do happen to be forgetful, they will undoubtedly be "reminded."

It is also not difficult to determine the extent to which Russia itself is participating in this struggle of the "elites." Proceeding from its own geopolitical interests, it will naturally do everything so that the confrontation becomes increasingly more acute. It is not a question of Russia being ostensibly interested or not in a certain figure becoming president; in reality, it is interested only in there being as strong an opposition as possible to Georgia's new president and, in order to achieve this, Russia's secret services (just as in the past) will assist both sides and create the illusion of future success for both sides.

The most interesting thing in this entire situation is that Shevardnadze has made a specific body responsible for this question. He has entrusted the Security Service with putting a halt to the Moscow group's interference in Georgia's affairs. If we take into account that this group's actions do not always bear a criminal character (if we do not view support for Shevardnadze's opponents as being a "crime"), Igor Giorgadze [recently dismissed head of the Security Service] has been entrusted with a very difficult task. It also cannot be excluded that this is his final "test" prior to inevitable future changes in the higher echelons of power.

Deputy Speaker Accuses Communist Boss of Planning Coup

AU0609131495 Tbilisi KAVKASIONI in Georgian
31 Aug 95 p 2

[Unattributed interview with Vakhtang Rcheulishvili, Parliament deputy speaker, head of the Georgian Socialist Party, in Tbilisi on 30 August: "Vakhtang Rcheulishvili: 'Information About a Coup d'Etat Did Reach Me'"]

[FBIS Translated Excerpt] On 29 August, at 1830, Parliament Deputy Speaker Vakhtang Rcheulishvili, along with other persons accompanying the head of state, was seriously injured following a powerful explosion in the car park of the Parliament building. Batoni [Georgian polite form of address] Vakhtang's wife was also in one of the other cars making up the escort, but, fortunately, she was unharmed. [passage omitted]

[KAVKASIONI] They say that the head of state and you had information concerning an expected coup d'etat....

[Rcheulishvili] Information about a coup d'etat did reach me. Naturally, the head of state would also have been informed about this fact. Following the formation of the Socialist Party, I was given even more opportunities to observe in depth processes taking place in the provinces. On the basis of reliable sources, I have learned that Panteleimon Giorgadze [chairman of the United Communist Party], accompanied by employees from the Security Service, has been visiting various rayons in Georgia and heaping abuse upon and discrediting the head of state. The "great supporter" of the people has been proclaiming that the Communists will deal severely with Shevardnadze and his team. He promises the people they will get the life they long for once they come to power. In Samegrelo [western Georgia], the people stood up to Panteleimon Giorgadze and during the confrontation there were clashes between the security [forces] (Giorgadze's guard) and the police. I can state openly that it is precisely these forces who are linked to the armed formations and who have been planning a coup d'etat. The alliance between father and son [recently sacked Security Service Chief Igor Giorgadze] is no secret to me personally and there is no longer any doubt that Giorgadze senior, assisted by Giorgadze junior and with the support of the Security Service's armed forces, was planning to carry out a coup d'etat. On the whole, the alliance against Shevardnadze, at any rate the ideological alliance, includes orthodox Communists and a certain part of the secret service that, in order to prove their respect to Giorgadze junior, are ready to take part in a coup d'etat. [passage omitted]

[KAVKASIONI] If not for the mercy of God, yesterday's fact could have had the most serious and irreparable consequences. Do you think that Parliament would have managed to control the country that would have been plunged into a chaotic situation and brought to the brink of civil war and to preserve stability and peace?

[Rcheulishvili] In the event of serious consequences, nothing would have saved democracy. Parliament started to crow — we will not permit antidemocratic forces to come to power — when it learned that Shevardnadze had escaped serious injury. If the terrorist act had succeeded, Parliament would have been helpless in the face of dark forces.

I have information from reliable sources that, in the event of the head of state being killed, they had already worked out in advance where armed formations should be positioned and in what number. According to their plan, it would require only 20 people to make Georgia unstable and achieve what they wanted. Naturally, they meant that these 20 would include supporters of Shevardnadze's policy.

It is a joke that a part of the "Mkhedrioni" [paramilitary organization] has declared itself a political organization and is aspiring to come to power. No sooner had Georgia rid itself of the Kitovani-Sigua [former defense minister and prime minister respectively] duo when the alliance of unhealthy forces, namely between Ioseliani [founder of the "Mkhedrioni"] and the Giorgadzes manifested itself and these forces are using some kind of national assembly to strengthen their shaky positions and, through orthodox thinking, are prepared to sacrifice people in order to achieve their own aims.

[KAVKASIONI] What has led to the appearance of the Communists in the political arena right now after four years in oblivion?

[Rcheulishvili] For almost four years the frightened orthodox Communists have not dared show their faces. Suddenly, today, under the guise of the tortured hero and "guardian" of the people, they have appeared on the political scene. Today, they have found excellent support in the form of the power structure.

[KAVKASIONI] These forces are being directly accused of organizing the attempt on the head of state's life....

[Rcheulishvili] The investigation will again probably have the final say.... Perhaps I'm committing a sin and some other force is acting, but it is a fact that they were seriously planning to seize power. [passage omitted]

Rescue Corps Condemns Campaign Linking It With Blast

LD0609142295 Tbilisi IPRINDA in Russian
1240 GMT 6 Sep 95

[FBIS Translated Text] Tbilisi, 6 Sep, IPRINDA — Members of the Rescue Corps today held a news conference at the headquarters of the Georgian Rescue Corps. Longi Chelidze, the first deputy chairman of the Georgian Rescue Corps said that hysteria was being artificially forced and that it had assumed a specific form after the terrorist act that occurred on 29 August [in which head of state Eduard Shevardnadze sustained slight injuries].

In Chelidze's words, in one way or another a whole string of politicians and representatives of the mass media will try to blame the Rescue Corps for being an accomplice in this act. In connection with this, Chelidze stressed that during the blast, deputy Jaba Ioseliani and other members of the Rescue Corps were in Ioseliani's room in the Parliament building. As a result of the blast, Ioseliani himself got bruised.

The campaign waged against the Rescue Corps is politically-motivated. "We do not want to make politics, we want to carry out our task," stressed Chelidze.

Since the day of the establishment of the Rescue Corps (it was set up on 3 September 1993 at the order of the Cabinet of Ministers and is a state body today) nobody, including the head of state, has helped us in any way. Today our regional headquarters remain closed, our members have been arrested, in particular [Rescue Corps chairman] Giga Gelashvili and Dodo Gugeshashvili. The latter has fought in Abkhazia and 40 million rubles was then offered for her head.

Chelidze declared that if the Rescue Corps members were criminals then why had they been decorated with state medals and orders, and if they were guilty of crimes why was it necessary to wait all the way up until today.

There were members in the Rescue Corps who had shamed this organization but today they were free and many of them had left Georgia. Instead, innocent 19-20 year-olds were being arrested — the ones who had fought in Abkhazia. Chelidze concluded by saying that some of the Rescue Corps members were under surveillance.

It was further noted that the members of the Rescue Corps had sold their personal belongings, bought arms, and gone to fight in Abkhazia. The arms that had been bought for \$5 million were later handed over to the state. The organizers of the news conference dispelled rumors about the arrest of deputy Jaba Ioseliani.

The leadership of the Rescue Corps intends to invite Western experts in connection with the events of 29 August.

It was also noted that in the near future a group of 10 lawyers would arrive from Moscow to defend the arrested Rescue Corps members.

In conclusion, the participants of the news conference appealed to the correspondents to give an objective coverage to the events as the fate of specific people depended on it.

'Abkhazia Is Our Home' To Contest Elections

*LD0609150995 Tbilisi IPRINDA in Russian
1240 GMT 6 Sep 95*

[FBIS Translated Text] Tbilisi, 6 Sep — An IPRINDA correspondent has reported that a new sociopolitical organization, Abkhazia Is Our Home, was set up a few days ago. It has been registered at the Ministry of Justice of the autonomous republic and the Ministry of Justice of Georgia. According to Tamaz Nadareishvili,

chairman of the organization, Abkhazia Is Our Home is an independent bloc which will take part in the elections. I want all political forces in the autonomous republic to join this bloc, concluded T. Nadareishvili.

Abkhaz Leader Denies His Side Caused Talks Breakdown

*LD0609151195 Moscow Russian Television Network
in Russian 1300 GMT 6 Sep 95*

[Video report by correspondent K. Bzhaniya; from the "Vesti" newscast]

[FBIS Translated Text] Abkhaz President Vladislav Ardzinba does not accept that his side was to blame for the breakdown of the Georgian-Abkhaz talks in Moscow. In an exclusive interview for "Vesti" the Abkhaz leader expressed his doubts about the objectivity of the intermediary at the talks, the Russian Ministry of Foreign Affairs. Vladislav Ardzinba said attempts were being made to force his republic to agree to a protocol which was in effect the settlement plan proposed by the Georgians. The Abkhaz Government, on the other hand, proceeded from the principles of equal relations and horizontal ties with Georgia, which were both laid down in the basic document, the statement on measures aimed at reaching a political settlement of 4 April 1994, adopted by the sides in the presence of the mediators and UN Secretary General Butrus-Ghali.

[Begin Ardzinba recording] What is happening now is that we are being forced to sign a document that runs counter to these principles. This is a clear deviation from the principles reached at the [earlier] talks and laid down in the documents. [end recording]

Shumeyko Calls Abkhaz Leader's Policies 'Criminal'

*LD0609131295 Tbilisi Radio Tbilisi Network
in Georgian 1200 GMT 6 Sep 95*

[FBIS Translated Text] Correspondent Besik Pipia has told CONTACT news agency from St. Petersburg that at the CIS Interparliamentary Assembly headquarters, Vladimir Shumeyko, the speaker of the upper house of the Russian Parliament discussed the Abkhaz conflict at a meeting with Russian and foreign correspondents today. Shumeyko said that the policies of [Abkhaz leader] Vladislav Ardzinba were criminal since it was these policies that had led to the war, human casualties, and the destruction of towns and villages. He said that Ardzinba would finally face God's judgment for his deeds.

Answering a question from correspondent Pipia about which Russian political movements, parties, and forces

the separatists were relying on in trying to resolve the Georgian-Abkhaz conflict to their advantage, Shumeyko said:

Without doubt there are forces in Russia wishing to see Abkhazia not only break away from Georgia but also join Russia. However, neither international law and nor

the Russian Constitution will allow them to do so. In Russia, everything is decided by the president, and Boris Yeltsin is unequivocal that Abkhazia has been and will remain part of Georgia, just as Chechnya will be part of Russia.

Estonia

Vahi, Luxembourg's Poos Discuss NATO Membership

LD0609155895 Tallinn Radio Tallinn Network
in Estonian 1500 GMT 6 Sep 95

[FBIS Translated Text] Prime Minister Tiit Vahi received today Luxembourg Foreign Minister Jacques Poos, who is currently visiting Estonia. According to Maarika Saarna-Siimann, the government's press representative, the Luxembourg foreign minister voiced at the meeting his satisfaction with the speed of Estonia's development and the present government's economic policy.

Prime Minister Vahi noted at the meeting that success has been achieved in gaining control over the main economic problem in Estonia, the big inflation. The prime minister said that the government hopes to roughly halve inflation by next year and reduce it to 20-25 percent.

During the meeting, the Estonian wish to join NATO, an organization of national defense forces, was discussed. Luxembourg Foreign Minister Jacques Poos stated that he in every way supports the Baltic states' aspirations to join NATO. Poos noted that NATO has adopted a resolution to expand, but it is as yet not clear precisely how and when this would take place.

The Luxembourg foreign minister was interested at the meeting in the present state of affairs in Estonian-Russian relations and in the situation of the Russian-speaking population in Estonia. After Prime Minister Vahi's explanations on the rules and procedure for gaining Estonian citizenship, the Luxembourg foreign minister acknowledged that the Estonian government's policy on the integration of the Russian-speaking population is acceptable in every way.

Trade Union Leader Calls Moscow Visit 'Successful'

LD0609221395 Tallinn Radio Tallinn Network
in Estonian 1900 GMT 6 Sep 95

[FBIS Translated Text] Raivo Paavo, the chairman of the Central Union of Estonian Trade Unions, regarded as successful the visit to Moscow by the trade union delegation. An official delegation of the Central Union of Trade Unions stayed in Moscow for three days, at an invitation from the Federation of Independent Trade Unions of Russia. Paavo said that during the meeting with Mikhail Shmakov, the chairman of the Federation of Independent Trade Unions of Russia, continued trade union cooperation between the two countries was discussed and agreement was reached on the Russian delegation's return visit.

The Estonian trade union delegation had a meeting today with the leaders of the Russian State Duma's social affairs and labor commissions and the drafting of employment legislation in both countries was discussed.

Latvia

Kozyrev: Differences To Be Resolved 'Soon'

LD0709084895 Moscow ITAR-TASS in English
0813 GMT 7 Sep 95

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, August 7 (ITAR-TASS) — Some differences in relations between Russia and Latvia will "probably be resolved soon," Russian Foreign Minister Andrey Kozyrev said during his talks with Latvian counterpart Valdis Birkavs here today.

"Russia is interested in having steady, goodneighbourly relations with Latvia," the Russian minister said.

According to the Latvian minister, Russia has undertaken the constructive steps over the past two years, including the withdrawal of Russian troops from Latvian territory, which can help lay down a solid foundation for the development of stable bilateral relations.

Birkavs, who is in Moscow en route to Moldova, confirmed Riga's previous invitation for Kozyrev to visit Latvia. Russian diplomatic sources told ITAR-TASS that the Latvian minister intended to discuss with the Moldovan leadership the two republics' integration in the European structures, above all, cooperation of Latvia and Moldova with NATO.

Latvian Peacekeepers Refused Role in Croatia

LD0609143695 Riga Radio Riga Network in Latvian
1300 GMT 6 Sep 95

[FBIS Translated Text] It is possible that Macedonia will be the next country to which the Latvian Armed Forces' peacekeeping unit may be sent, said Aleksandrs Kirsteins, chairman of the Saeima foreign affairs commission, speaking to journalists today and commenting on the fact that the Latvian voluntary unit has not gone to Croatia.

I remind you that on 1 September the Latvian Defense Ministry received a note from the Danish Defense Ministry which said that the United Nations has delayed the granting of a peacekeeping mandate to the Latvian unit and the fact that the UN Security Council decided to withdraw all the peacekeeping forces from Croatia by 30 November this year was given as a basis for that delay. Therefore, it is possible that the peacekeeping mandate will not be granted to the Latvian unit, and as

we have already reported, the unit will return to Latvia this evening.

Norwegian Parliament Chairman Arrives on Visit
LD0609170895 Riga Radio Riga Network in Latvian
1500 GMT 6 Sep 95

[FBIS Translated Text] Kirsti Kolle Groendahl, the president of the Storting [parliament] of the Kingdom of Norway, has arrived in Latvia on an official visit. Norway's experience in connection with Latvia's joining the European Union was discussed at today's talks with Saeima Chairman Anatolijs Gorbunovs. Gorbunovs commended what had been achieved and what was planned in the sphere of cooperation between the two countries. He particularly stressed cooperation between Latvia and Norway in the social and educational spheres, as well as in the sector of modernization of gas supply systems.

The issue of NATO enlargement was also discussed. Talks on this subject have been influenced by the Russian deputy foreign minister's statement that Russia will not allow the Baltic states to join NATO. Anatolijs Gorbunovs expressed the view that European countries now had a common stance, and that they considered that Latvia's joining the European Union first was much more important. As far as NATO is concerned, it is more of specific cooperation rather than joining it, because Latvia still has to do a lot to be able to become a NATO member.

Lithuania

Brazauskas: Russia Remains 'Major Partner'

LD0609134595 Moscow ITAR-TASS in English
1305 GMT 6 Sep 95

[By Vidas Burbulis]

[FBIS Transcribed Text] Vilnius, September 6 (ITAR-TASS) — "Russia remains the major partner of Lithuania. Its share accounts for almost 30 per cent of the country's foreign trade turnover," Lithuanian President Algirdas Brazauskas told ITAR-TASS.

"We have established good trade relations with Belarus, Ukraine, Kazakhstan and Uzbekistan. At the same time, our trade with the West, particularly with Germany, has increased. This indicates that Lithuania's trade is oriented towards the West. And we are pleased with such a state of affairs," the president also said in the interview.

"We are trying to coordinate with Estonia and Latvia our activity both in the aspects of foreign trade and internal policy, but we are not trying to form any isolated group in the economic, political or military aspects. We are

seeking to settle issues by joint efforts for the benefit of the three states," Brazauskas noted.

The president said that he opposed membership of the Baltic states in NATO. He stressed that all the west organisations — the Council of Europe, the European Union and NATO — should be opened for Russia. The time of military blocs has passed and to search for borders between the blocs today is to waste time, Brazauskas added.

Foreign Trade Deficit Statistics Reported

LD0609213395 Moscow INTERFAX in English
1735 GMT 6 Sep 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] VILNIUS, Sept 6 (INTERFAX) — Lithuania's foreign trade deficit decreased 2.7 times against the same period of 1994 to 482.6 million litae (\$120.7 million). Lithuania's foreign trade deficit was 1.283,4 billion litae (\$320.9 million) in the first half of 1994.

The statistics department under the Lithuanian government told INTERFAX that Lithuania had exported goods worth a total of 4.260,8 billion litae (\$1.065,2 billion) in the first half of this year, or 701 million litae (\$175.25 million) more than in the same period of 1994.

Lithuania's import was 4.743,4 billion litae (\$1.185,9 billion), or 99.8 million litae (\$25 million) more than in the same period of 1994.

According to statistics, Lithuania is mainly trading with Western countries while its trade turnover with the CIS countries is decreasing.

Lithuania's exports to European Union countries accounts for 37.7% of the Baltic country's total exports (against 27% in the first half of 1994). Lithuania's imports from the European Union rose from 31.3% in the first half of 1994 to 39.9% in the first half of 1995.

Lithuania's exports to the CIS was 39.5% of the country's total exports (against 51.2% in the first half of 1994). Lithuania's imports from the CIS was 53.3% of the country's total imports against 41.6% in the first half of 1994.

Russia remains Lithuania's main trade partner and accounts for 20.1% of Lithuanian exports and 31.5% of Lithuanian imports. Russia is followed by Germany (14.8% of Lithuanian exports and 16.3% of Lithuanian imports), Belarus (respectively 9.1% and 4.8%), Latvia (8.2% and 3.3%) and Ukraine (6.7% and 3.2%).

Government Rejects Accusations by Centrist Union
*LD0609164095 Vilnius Radio Vilnius Network
in Lithuanian 1300 GMT 6 Sep 95*

[FBIS Translated Excerpt] A statement by the Lithuanian Government made public by the government's information center reads that of late Romualdas Ozolas, member of the Lithuanian Seimas and chairman of the Center Union, reminded the public of his existence by issuing a scandalous statement.

The accusations levelled at the government and its prime minister in the statement are hard-hitting — corruption,

plundering, impoverishing the state — yet very abstract in nature.

The government rejects these illogical accusations and declares that it is always prepared to answer each individual specific case of abuse of power. The government, however, is not going to put aside all the work and start investigating into mysterious insinuations by Mr. Ozolas. [passage omitted]

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